



Daily Report

China

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United States & Canada

'New York-Based' Dissident Confesses Crimes

OW0704190589 Beijing XINHUA in English
1839 GMT 7 Apr 89

[Text] Shanghai, April 7 (XINHUA)—Chen Jun, a member of the New York-based "Chinese Alliance for Democracy," left here for Hong Kong this morning after confessing that he committed awful acts in China.

Chen was summoned to the Shanghai Public Security Bureau on Wednesday [5 April], after he returned to Shanghai from Beijing, for failing to observe the conditions of his bail.

Chen, 31, joined an unlawful organization in Shanghai in early 1979. He later left it after "embezzling its operating funds."

In 1984 he emigrated to the United States, where he made contact with and later joined in the activities of the "Chinese Alliance for Democracy".

Later he returned to Shanghai and in 1988 he was summoned to the Shanghai Public Security Bureau for reselling foreign exchange at a huge profit.

In addition to confessing that he speculated in foreign exchange, he admitted that he was ordered to collect documents issued by the Chinese Communist Party Central Committee and information about new trends in China, to get in touch with disaffected Chinese citizens and to distribute the "CHINA SPRING" journal, considered to be a reactionary publication, on China's mainland.

Because of his confession, the Shanghai Public Security Bureau released him on bail pending trial.

But Chen ignored the law and left Shanghai for Beijing to engage in unlawful business.

When summoned to the local public security bureau, Chen confessed his unlawful actions and asked to leave China.

In view of Chen's confession and his exposure of the activities of the "Chinese Alliance for Democracy," the Shanghai Public Security Bureau allowed him to leave China.

Bush Denies Slow Pace on Foreign Policy Review

OW0804225489 Beijing XINHUA in English
0841 GMT 8 Apr 89

[Text] Washington, April 7 (XINHUA)—President Bush today defended the administration's lengthy foreign policy review by saying that "there is no foot-dragging going on." The review is a prudent process, he added.

Bush rejected criticism by Soviet leader Mikhail Gorbachev that the Bush administration's "hesitation" in developing its own policy towards the Soviet Union could imperil the momentum in the Soviet-U.S. relations that began nearly three years ago.

During his talks with British Prime Minister Margaret Thatcher in London yesterday, Gorbachev was reported to say that while the atmosphere now is generally favorable for further negotiations on conventional and nuclear arms reduction, the Bush administration's prolonged evaluation of the U.S.-Soviet relations could put the Soviets back to square number one.

At a White House press conference today, Bush stated that "I will be ready to discuss that with the Soviets when we are ready" and "Mr Gorbachev knows that".

It appears that criticisms have not come just from abroad. At home recently, pressures are reportedly mounting on the government for abandoning a passive posture and responding to Moscow's initiatives. Senator Claiborne Pell, who heads the Senate Foreign Relations Committee, said earlier this week that the administration should be much more responsive than it had been so far.

U.S. 'Cautious' on Soviet 'Offensive'

OW1004080289 Beijing XINHUA in English
0636 GMT 10 Apr 89

[Text] Washington, April 9 (XINHUA)—The Bush Administration tends to take a cautious approach toward the diplomatic offensive launched by Soviet leader Mikhail Gorbachev.

Two top Administration officials—National Security Adviser Brent Scowcroft and Secretary of State James Baker—underscored the trend today in their interviews with U.S. TV networks.

Referring to the on-going overall foreign policy review that began two months ago when the current administration took office, Scowcroft told NBC's "Meet the Press" that the U.S. ought not make "sharp, dramatic changes" in its policy toward the Soviets.

Although he said it is "premature" to judge the outcome of the policy review, the national security adviser said, "it's probably not surprising that the future looks a lot like the present in sort of a straight line projection."

"It's important now, perhaps for the first administration in a long time, to look out ahead, to look toward the end of the century," Scowcroft said.

He added that the United States had to be "prudent and cautious and not throw away the kinds of strength and determination" before it can be absolutely certain what is ahead.

In a separate interview with ABC's "This Week With David Brinkley," Baker said President George Bush must be prudent, cautious and realistic in his policy arrangements because no one can be sure whether the "Brezhnev Doctrine" is dead.

"We've called on them to repudiate it and so far, they haven't done so," he said.

Bush last week received a report prepared by experts of the Central Intelligence Agency, State Department, the Defense Department and the National Security Council, in which they propose a middle-of-the-road approach toward the Soviet Union.

The approach, called "status quo plus," seeks to strike a balance between the "stand-pat school" who remains skeptical of Gorbachev's intentions, and the "seize-the-opportunity school" who advocates an active response to the Soviet initiative.

U.S. Announces Baker Trip to Moscow
OW0904094189 Beijing XINHUA in English
0043 GMT 8 Apr 89

[Text] Washington, April 7 (XINHUA)—Secretary of State James A. Baker is scheduled to hold talks with his Soviet counterpart Shevardnadze in Moscow from May 10 to 11, announced State Department spokesman Richard Boucher today.

The discussions will involve the "full range of issues in areas of human rights, arms control, regional affairs, and bilateral matters, and transnational issues," Boucher said.

This will be Baker's first visit to the Soviet Union as U.S. secretary of state of the Bush administration that came to power last January 20.

During his stay in Moscow, Baker will meet Soviet leader Gorbachev who, a few days later, will travel to Beijing for a summit on normalization of relations between the Soviet Union and China.

It is apparent that Baker will take with him the administration's proposals on major international issues in response to Soviet initiatives as the overall foreign policy review will be completed by the time.

NPC Vice Chairman Meets U.S. Businessmen
OW0704121089 Beijing XINHUA in English
1039 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Liao Hansheng, vice chairman of the Standing Committee of the National People's Congress (NPC), met with a group of businessmen from the United States here today.

The guests were Alex Kroll, president of Young and Rubicam Inc., James Dowling, president of Burson-Marsteller Inc., and their party.

The American businessmen came here on April 6 to call on their Chinese customers.

Soviet Union

Commentator Compares PRC, USSR Reforms
HK1004085189 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0729 GMT 4 Apr 89

[Report: "Beijing Journal Carries Article Saying the Soviet Union Has Better Political Environment for Reform Than China"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing 4 Apr (ZHONGGUO TONGXUN SHE)—An article carried by the third issue of HUAREN SHIJI [CHINESE WORLD] published a few days ago says the Soviet Union is currently in a better position than China as far as the political climate for reform is concerned.

The article entitled "The Difference in Background Between China's and the Soviet Union's Reforms" says that with the introduction of democracy and glasnost the Soviet Union enjoys better political transparency than China and is able to sum up ideas from all quarters in the process of making policy decisions, thus central policies are supported by a greater number of people. Second, their sound and democratic supervisory system makes it easier to keep government organs free from corruption, enabling the government to garner greater support from the masses. The article adds that the Soviet Union has a more stable political core than China, the government is almost free from undue intervention in shaping policy decisions, and policy decisions are made in a more scientific way.

When analyzing the theory and practice of the reforms in the two countries the article says that the Soviet Union has advanced a brand new theory and formation in explaining the stage the country is in at present as well as party doctrine. The article believes that these are all things that only arise in the phase of emancipating the mind and the Soviets are only making initial efforts to probe the theory about the reform of reality, especially on providing guidance for the political restructuring. For lack of practice the Soviet scholars have so far given little consideration to problems like property rights, the market system, and so on, which Chinese theoreticians are enthusiastically discussing. Stagnation in theory leads to stagnation in practice. So far the economic reform in the Soviet Union has remained at the stage of "giving greater power to enterprises and allowing them to keep a bigger share of profits," and the Soviets have not yet touched upon the reform of mechanism.

Contrary to the conditions in the Soviet Union, Chinese theorists have mounted a bold and in-depth probe of theories ranging from basic ones like "the relations of production and mechanism," "the mechanism of economic operation," and "the distribution of income" to

those about "the environment of reform" and "the mode of change in systems" which are expected to provide solutions to difficulties encountered in the reform. All this causes China's economic restructuring to proceed vigorously despite difficulties.

The article emphasizes that China boldly faces reality and raises the slogan of "studying from capitalism." It is the first among socialist countries to pursue the policy of "opening to the outside world" by widely opening its door to the Western world overnight, a door which had been closed for several decades, and enabling Chinese people to broaden their horizons and learn many things. By so doing China not only imports science and technology and qualified personnel but also, more important, new concepts which help Chinese to master the new mode of thinking, thus instilling new blood into China's development. The Soviet Union lags far behind China as far as the extent of opening to the outside world is concerned and it has a heavy traditional burden to cast away. In opening its door to the Western world, the difference in economy, technology, and people's living standards between the Soviet Union and the Western world will soon be discovered. This will likely hurt the national pride which the Soviet Union has meticulously cultivated for a long time and cause dissatisfaction among some strata. The Soviet Union is therefore overcautious and indecisive in opening its door to the outside world.

Sichuan To Send Agronomists to Soviet Union
OW1004011289 Beijing Domestic Service in Mandarin
0300 GMT 8 Apr 89

[Text] Sichuan Province has signed an agreement with the Russian Soviet Federated Socialist Republic of the Soviet Union. According to the agreement, Sichuan will dispatch its first batch of agricultural technicians to the Soviet Union in mid April to study the state of agricultural production there and to help cultivate rapeseed, vegetables, and soybeans on a trial basis.

Xinjiang, Kazakh SSR Establish Cooperation
OW0904143589 Beijing in Russian to the USSR
1900 GMT 7 Apr 89

[Text] China's Xinjiang Uygur Autonomous Region and Kazakh SSR have decided to engage in joint border tourism. The sides have agreed to develop 1 day tours between the cities of Houcheng, Xinjiang, and Panfilov in the USSR. Neither sides' participants will need a passport or a visa; they will only have to carry a border pass. The sides have also agreed, under the same terms, to arrange tours which will take several days.

A speaker for the Tourism Administration of the Xinjiang Uygur Autonomous Region said that the 1 day tours will begin in the second half of this year.

Northeast Asia

Zhao Ziyang To Visit DPRK in Late April
OW0704123089 Beijing XINHUA in English
1118 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Zhao Ziyang, general secretary of the Chinese Communist Party (CPC) Central Committee, will pay an official goodwill visit to the Democratic People's Republic of Korea in late April, at the invitation of Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea.

This was announced by a spokesman of the International Liaison Department of the CPC Central Committee here today.

Takeshita, PRC Envoy Discuss Li Peng Visit
OW0704212289 Beijing Domestic Service in Mandarin
2230 GMT 6 Apr 89

[Text] On the eve of Premier Li Peng's forthcoming official goodwill visit to Japan, Japanese Prime Minister Noboru Takeshita met at his residence with Chinese Ambassador to Japan Yang Zhenya on the afternoon of 6 April. Takeshita said that during the visit, Premier Li Peng will be accorded a warm welcome by the Japanese Government and people, and his visit will yield a positive impact on promoting peace in Asia and in the world.

State Councillor Meets With Japanese Delegation
OW0804092489 Beijing XINHUA in English
0635 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Li Guixian, state councillor and governor of the People's Bank of China, met with Shoji Umemura, chairman of the Japanese Nikko Securities Company Ltd., and his party here today.

Li briefed the visitors with [as received] the current economic situation in China.

The Japanese visitors arrived on Wednesday and are scheduled to tour Tianjin, Dalian and Shanghai.

Japanese Investment Group Visits Tianjin
OW0904215089 Beijing in Japanese to Japan
0930 GMT 7 Apr 89

[Text] A Japanese investment delegation inspected small and medium industries in Tianjin City on 6 April. The delegation composed of 24 small and medium industries in Japan arrived in Tianjin City on 5 April to inspect small and medium industries in the city. Zhang Zhaoruo, vice mayor of Tianjin City, met with the delegation on the evening of 5 April to exchange views on future investments from Japan and cooperation among the industries of the two countries.

Medical Joint Venture With Japan Opened
OW0804073189 Beijing XINHUA in English
1234 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—A Sino-Japanese joint venture in traditional Chinese medical science, initiated by China's Small-Business Research Center and Japan's Information System Institute, opened here today.

Beijing's "Traditional Chinese Medical Science and Health Company Limited," is the first joint venture of its kind in China.

According to the contract signed by both parties, the joint venture will develop medicinal food technology and produce and sell Chinese medical health care equipment. A "food medicine institute" will be set up in Beijing, researching food treatment, qigong (a system of deep breathing exercises), acupuncture and massage therapy.

At the same time, a related Japanese-Chinese company, "China World," will be established in Tokyo.

The backers say that Chinese medical science centers will also be opened in Japan, the United States, and Europe to provide similar services.

Civil Air Agreement Signed With Mongolia
OW0804193589 Beijing XINHUA in English
1133 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—The Chinese Government and the Mongolian Government signed an agreement on civil air transportation here today.

China and Mongolia suspended air flights in 1967. Irregular flights between the two countries have been restored since 1986. To meet the development of bilateral relations in recent years, the two countries agreed to sign a civil air transportation agreement, which plans to start regular flights this May.

Hu Yizhou, director of the Civil Aviation Administration of China, and Y. Ochir, Mongolian ambassador to China, signed the agreement.

Southeast Asia & Pacific

Reactions to Vietnamese Troop Withdrawal Proposal

Article Doubts Sincerity

HK1004104689 Beijing RENMIN RIBAO in Chinese
10 Apr 89 p 4

[Article From "International Outlook" column by Shi Zongxing (0670 1350 2502): "How Sincere Is Vietnam's Troop Withdrawal Statement?"]

[Text] On 5 April, the Vietnamese Government issued a statement, saying that it would completely withdraw its troops from Cambodia by the end of September. This

timetable for troop withdrawal was announced by Vietnam 3 months ago. However, after the announcement, Vietnam went back on its word and broke faith with the whole world. When the statement was issued this time, it used the term "solemn statement" to show its "sincerity" in troop withdrawal. However, the international reaction to it has been fairly cautious. In the past, the Vietnamese played a lot of tricks regarding troop withdrawal, and they were not sincere at all. People do not readily believe their statement, but want to see their actual move.

After reading Vietnam's statement, I cannot but doubt its sincerity in the political settlement of the Cambodian issue.

First, up to now Vietnam has not admitted its crime, and has continued to use those untenable arguments to speak in defense of its aggression. In the statement, it says that the 10 years of war of invading Cambodia is not an aggressive act, but a "just move" and "disinterested assistance." It even asserts that such an act "has conformed with the various principles of the nonaligned movement," and the UN Charter, and that it has "won the sympathy and support of the peace-loving and just public opinion." Obviously, this is self-praise that loses all sense of shame. During the past 10 years, when did people of the peace-loving world community sympathize with Vietnam's aggressive act? They only condemned the Vietnamese. All resolutions passed by the UN solemnly pointed out the crimes of aggression of the Vietnamese authorities. The nature of the aggression and opposing aggression in the Cambodian issue has been determined by world public opinions a long time ago. The Vietnamese are doing their utmost to deny the fact, to confound black and white, and to stubbornly stick to its theory of justifying aggression. This shows that up to now they have not truly intended to give up aggression.

Second, Vietnam has refused to withdraw its troops under an effective international supervision. In its statement, although Vietnam states that it is willing to withdraw its troops under international supervision, the supervising countries will be unilaterally appointed by it. The supervision is not carried out by an international supervisory organ established under the auspices of the United Nations and on the basis of consultation. Vietnam is an aggressor that should be put under supervision. What right has it to appoint the supervising countries? This can only show that it has a guilty conscience. People all know that recently it has been continuously reported that Vietnam has been trying to hide a great number of Vietnamese troops through various concealed means. They will be wholly converted into troops of the Phnom Penh puppet regime, or broken into parts for the purpose of conversion. Some other reports say that after taking off their uniforms, those Vietnamese servicemen will become "migrants" with guns. If the international supervision is truly effective, it will be very difficult for an attempt to withdraw troops in name only to succeed. To put it bluntly, the reason Vietnam refuses an effective

international supervision is that it does not intend to withdraw its troops from Cambodia thoroughly and completely as scheduled, and that it is trying every means to continue to control Cambodia.

Third, in the statement, Vietnam mentions many conditions for its troop withdrawal. This is a hint foreshadowing its return to Cambodia in the future. In the statement, Vietnam insists that troop withdrawal should be "linked with" the stop of "intervention" by foreign countries, and the prevention of the "Khmer Rouge" from wielding power again. It also stresses that after its troop withdrawal, if foreign countries do not stop their military aid, or "intervention," the Phnom Penh puppet regime will reserve the legitimate right to ask various countries to "help it carry out self-defense." In other words, those withdrawn Vietnamese troops may return to Cambodia again under this pretext at any time they wish.

From this statement, we can see that Vietnam is still cocky. It poses as one who "upholds justice," and considers itself as a "winner," saying that the "Vietnamese volunteers have gloriously accomplished their lofty task," and that the Cambodian people will "always remember" their "meritorious service." Such boasting that regards shame as glory is just to console itself. It is truly ridiculous.

People throughout the world have known very clearly what Vietnam has experienced as an aggressor over the past 10 years. Vietnam itself also knows how things stand.

Radio Commentary Asks for Proof

BK0904031089 *Beijing in Cambodian to Cambodia*
1030 GMT 8 Apr 89

[Station commentator Ya Ming's commentary: "Vietnam Has Announced Its Troop Pullout From Cambodia and Should Prove It"]

[Text] On 5 April, the Vietnamese Government issued a statement saying that Vietnam will withdraw all its troops from Cambodia before the end of September this year. Along with the troop pullout, Vietnam demanded that foreign countries stop interfering in Cambodia and stop providing military assistance to various Cambodian parties. The Vietnamese statement pointed out that if foreign countries do not end their assistance to Cambodian resistance forces, the Phnom Penh regime reserves the right to request Vietnam's return to Cambodia.

The Vietnamese authorities said they will withdraw all their troops from Cambodia before the end of September this year. Is this sincere? People are waiting to see.

Since the beginning of this year, the Vietnamese side has many times said it will withdraw all its troops from Cambodia before the end of September this year. However, these statements cannot be trusted; they have been changed again and again. In February, at the second Jakarta Informal Meeting, Vietnamese Foreign Minister

Nguyen Co Thach said Vietnam would honor its promise to pull out all its troops from Cambodia in September this year, and then a few moments later he said Vietnam would do this at the end of 1990. This is why the international community is waiting to see whether the troop withdrawal promise Vietnam has given this time will be honored. People hope that Vietnam will genuinely abide by its promise and withdraw all its Armed Forces from Cambodia in accordance with the time it has announced, instead of changing its mind, carrying out other maneuvers, and delaying the troop pullout or carrying out a fake troop pullout under other pretexts.

The announcement by the Vietnamese Government linking the troop pullout from Cambodia to the end of foreign assistance to Cambodian resistance forces is an attempt to shrug off Vietnam's responsibility for the war of aggression in Cambodia and to prepare for Vietnam's return to Cambodia after the troop pullout. This has made the international community cautious. The Cambodian problem results from Vietnam's sending troops to commit aggression against Cambodia. If Vietnam did not violate a sovereign country, there would not have been either Cambodian resistance forces or assistance and support from the international community to these resistance forces. The assistance provided by China and the international community to the Cambodian resistance forces is based on a fully just and reasonable stand. No one can question this stand. The Chinese Government has said many times that once it is satisfied that Vietnam has genuinely withdrawn all its troops from Cambodia, China—along with other countries concerned—will stop military assistance to various Cambodian parties.

Vietnam's linking of the troop pullout to the end of assistance to the Cambodian resistance forces is an attempt to blur people's vision on who are the aggressors and who are the victims. This will not hold up. It is obvious that Vietnam cannot shrug off its responsibility on resolving the Cambodian problem comprehensively—including genuine and quick withdrawal of all Vietnamese troops from Cambodia—to allow Cambodia to achieve peace following the Vietnamese troop pullout.

If Vietnam is sincere about solving the Cambodian problem, it should carry out concrete activities favorable to solving the Cambodian problem politically, comprehensively, and reasonably. First of all, it should genuinely withdraw all its troops from Cambodia under rigorous and effective international supervision. The composition of the international control commission should not be decided by Vietnam but by the UN secretary general in consultation with countries concerned. Along with this, Vietnam should push the four Cambodian parties toward achieving national reconciliation and should support the establishment of a provisional four-party government headed by Samdech Sihanouk. Through this provisional government, general elections will be organized later, to prevent a civil war from erupting in Cambodia like the one in Afghanistan.

Commentary on Conditions for Peace
OW1004121489 Beijing XINHUA in English
1030 GMT 10 Apr 89

["Commentary: Is the Dove of Peace Flying to Kampuchea? (by Ling Dequn)"]—XINHUA headline]

[Text] Hanoi, April 10 (XINHUA)—The world is paying more attention to the development and the future of the war-torn Kampuchea.

The Vietnamese Government, whose troops have been occupying the neighboring Kampuchea for over 10 years, pledged on April 5 to pull all its troops out of Kampuchea by the end of September this year, while asking for the cessation of alleged foreign interference and military aid to the Kampuchean parties.

Hanoi asserted that its latest troop withdrawal announcement showed Vietnam's "good will" to solve the Kampuchean conflicts through political means.

However, observers here doubt whether the dove of peace is flying to Kampuchea.

The Vietnamese monthly magazine, "WHOLE PEOPLE'S DEFENSE," said in a recent issue that "The Kampuchean revolution" has entered "a new stage of fighting and negotiating."

The authoritative magazine said, "Whether a political solution to the Kampuchean issue will be reached or not, the fruits of the Kampuchean revolution ought to be protected."

It is noted that Hanoi and Phnom Penh have rejected the just and reasonable suggestions made by the international community that a total withdrawal of Vietnamese troops should be supervised strictly by the United Nations or an international conference be held under the auspices of the French Government or the United Nations in order to seek an overall political solution to the Kampuchean issue.

The reasons why Hanoi and Phnom Penh stick to the rigid attitude are not hard to explain. In an announcement of the total withdrawal of Vietnamese troops made at a press conference in Phnom Penh on April 5, Hun Sen of the Vietnam-installed regime said, "We are strong enough to defeat the enemy before agreeing to the withdrawal of Vietnamese troops, we had considered carefully the balance of forces between us and the enemy."

Meanwhile, Hanoi and Phnom Penh not only refused to reduce the armed forces of all Kampuchean parties, but also demanded that the armed forces of the Khmer Rouge be dissolved.

Actually, Vietnam has made utmost efforts to build up the armed forces of the Phnom Penh regime in the past year.

The latest issue of the Vietnamese weekly newspaper "THE GREAT UNIFICATION" disclosed that Phnom Penh's armed forces have been increased to 100,000 men, not including its militia forces.

Obviously, Hanoi and Phnom Penh have been preparing to launch a civil war, which is aimed at monopolizing power in Kampuchea.

Moreover, in the April 5 announcement of the troop withdrawal, Hanoi and the Phnom Penh regime declared that Vietnam would send its troops back to Kampuchea when necessary after September this year.

It would be very dangerous if such a situation occurred, because the Kampuchean conflict would prolong and the sufferings of the Kampuchean people would continue.

The practice in Afghanistan has provided useful experience and lessons for settling regional conflicts. In order to stop earlier the 10-year war of aggression and to avoid a civil war in Kampuchea, the total withdrawal of Vietnamese troops must be conducted under effective U.N.-sponsored international control and supervision and a quadripartite coalition government headed by Prince Sihanouk should be set up in Kampuchea.

Only when the hotbed of the conflict is eliminated, real reconciliation among all Kampuchean parties can be realized and the dove of peace will fly freely over the sky of the country.

XINHUA Commentary on Plan
OW0804165289 Beijing XINHUA in English
1618 GMT 8 Apr 89

["Commentary: Will Vietnamese Really Withdraw From Kampuchea (by XINHUA correspondents Tang Tianri and Cai Ximei)"]—XINHUA headline]

[Text] Beijing, April 8 (XINHUA)—The Vietnamese Government announced on April 5 that it will pull all of its troops out of Kampuchea by the end of September. Considering Hanoi's troop withdrawal statement made at the beginning of this year, however, there is nothing new in the statement this time.

Hanoi has had a notorious record of insincerity in terms of the troop withdrawal. Let alone the seven partial troop withdrawal statements Hanoi made from 1982 to 1988, all of which were a sham. It is on the decision of a complete pullout from Kampuchea by the end of September that Hanoi has time and again gone back on its own words.

Now, the Vietnamese authorities reiterate the troop withdrawal statement so as to assert their "sincerity". Whether such "sincerity" is true or false should not be judged only by Hanoi's voluble words, but also by its deeds.

Will Hanoi live up to its promise, really pulling all of its occupation troops out of Kampuchea as scheduled? The statement said: "After the 7th troop withdrawal and by the end of 1988, three-fourths of the troops stationed in Kampuchea had been withdrawn and returned home." But in reality, there are still 100,000 Vietnamese troops of aggression remaining in Kampuchea.

Vietnam is trying by various means to have a large number of its occupation troops concealed in that country, such as changing the Vietnamese troops from the intact organizational system into the puppet troops of the Phnom Penh regime, or ordering some of the Vietnamese troops to take off their Vietnamese Army uniforms and become armed immigrants.

In the past few years, Vietnam emigrated large numbers of people into Kampuchea as part of a concerted plan. Reports have it that Hanoi is currently stepping up its efforts to arm these emigrants on April 5, Vietnam said that if foreign countries do not halt military aid and stop "interference," the Phnom Penh regime will retain the "right" to ask foreign countries to help it "conduct self-defence." This is nothing but an excuse, under which the withdrawn Vietnamese troops can return to Kampuchea at any time.

Therefore, if it is really implementing its promise of a total troop pullout, Vietnam should withdraw, not only all of its troops of aggression, who wear uniforms and carry weapons, but also those concealing their identity among the Phnom Penh puppet troops or as immigrants. Otherwise, it cannot be said that Vietnam is really pulling its troops out of Kampuchea.

Is Hanoi willing or unwilling to be supervised effectively by the international community in terms of its troop withdrawal from Kampuchea? The 43rd U.N. General Assembly passed a resolution on Kampuchea which points out that the Vietnamese troop pullout from Kampuchea must be placed under effective international supervision and control.

The international community maintains that such a mechanism of international supervision should be established under the auspices of the U.N. secretary general after his consultation with the countries concerned. The supervisors can by no means be appointed by Vietnam in its capacity as an aggressor.

Although it expressed its willingness to withdraw its troops from Kampuchea under international supervision when announcing its pullout decision, Hanoi itself appointed several countries to exercise the international supervision. This fact shows that Hanoi is not willing to receive real and effectual international supervision.

How to guarantee the peace and stability of the Kampuchea situation after the Vietnamese withdrawal? Vietnam did not touch on this problem in its statement. The

Kampuchea problem was caused by Vietnamese aggression, therefore, it has the unshirkable responsibility in completely settling the Kampuchea problem. In this regard, the Afghan problem provides a lesson: After the complete Soviet troop withdrawal, a coalition government with a broad base and acceptable to all parties was not quickly established to realize national reconciliation, hence Afghanistan bogged down in the abyss of a civil war.

In order to make Kampuchea not follow the path of Afghanistan, the international community supports the five-point peace plan by Samdech Norodom Sihanouk. This plan proposes that after the complete withdrawal of Vietnamese troops from Kampuchea, the Phnom Penh regime and the Coalition Government of Democratic Kampuchea be disbanded, meanwhile establishing a quadripartite government of national unity headed by Sihanouk. This plan is fairly reasonable and is a reliable guarantee for Kampuchea to move towards peace and stability and avoid civil war after the Vietnamese withdrawal. Vietnam has no grounds to oppose this plan.

It is to be hoped that Vietnam goes with the trend of the times and changes its stance. It should not only keep its word in the troop withdrawal and live up to the promise it publicized, but also should shoulder the unshirkable responsibility for the peace and stability of Kampuchea after its withdrawal.

Beijing Radio Reviews Plan

OW1004003289 Beijing in Russian to the USSR
1900 GMT 8 Apr 89

["Review of International Events" program]

[Text] The Government of Vietnam announced on 5 April that it will completely withdraw its forces from Cambodia by the end of next September. At the same time, it demanded an end to the so-called foreign interference in Cambodia and military aid to all the sides in Cambodia. The announcement also stressed that if foreign countries do not cease to render aid to the Cambodian resistance force, the Phnom Penh authorities retain the right to ask Vietnam to return, once again, to Cambodia. In this connection, our radio commentator Ya Ming has noted in his review that the sincerity of the Vietnamese authorities, which once again announced their intention to fully withdraw their forces from Cambodia by the end of next September, will be subjected to the test of time.

Since the beginning of this year the Vietnamese side has stated on several occasions that it would supposedly withdraw all its troops from Cambodia by the end of this September, and later took these words back.

In February this year, during the work of the second Jakarta meeting on the Cambodian problem, Nguyen Co Thach, Vietnamese foreign minister, alternatively stated Vietnam's readiness to fulfill its promise to withdraw all its troops from Cambodia by the end of this September

or, once again, repeated the old tune about the withdrawal of its troops by the end of 1990. The international community will be watching carefully whether Vietnam will adhere to the commitment it has made in its last statement.

People are hopeful that Vietnam will fully carry out what it has promised—that is, to fully and definitively withdraw its forces from Cambodia within the time frame; not to postpone the withdrawal of troops under one pretext or another; nor to retain its troops on Cambodian soil under some pretext.

In its statement, the Vietnamese Government has placed on the same plane the withdrawal of its troops and the end of foreign aid to the Cambodian resistance forces with the aim of shifting the blame for the aggressive war away from itself and to create an excuse to return, once again, to Cambodia after withdrawing its troops. This has already caused vigilance on the part of the international community. It is known that the Cambodian problem was created as the result of the attack of the Vietnamese troops into Cambodia. Without Vietnamese aggression against a sovereign state, the Cambodian resistance forces would not have existed nor would there be aid of the international community to the resistance forces.

China and the international community render aid to the resistance forces motivated by of a sense of justice. The Chinese Government has stated on many occasions that China, together with interested countries, will stop providing military aid to all the Cambodian sides following the verification and proof that all the Vietnamese troops have been withdrawn. Vietnam, by tying its troop withdrawal to an end of aid to the resistance forces, is attempting to blur the differences between aggression and victims of aggression. Action such as this has no validity.

Undoubtedly, Vietnam bears the undeniable responsibility for the comprehensive solution of the Cambodian problem which includes the quickest and complete withdrawal of all its troops from Cambodia and facilitating of peace in Cambodia following the troop withdrawal. If Vietnam is truly and sincerely interested in the end to the Cambodian problem, it must undertake practical steps that are favorable for a comprehensive, just, and rational political normalization of the Cambodian question. First and foremost it should unconditionally and truly withdraw all its troops from Cambodia under strict and effective international supervision. Vietnam must not take part in appointing members to the international supervisory body. This should be done by the UN Secretary General following consultations with interested countries. Moreover, Vietnam must facilitate the implementation of national reconciliation between the four sides of Cambodia, support the creation of a four-side provisional coalition government headed by Siهانouk so that this provisional government could organize a general election in the future and prevent a civil war in Cambodia, as happened in Afghanistan.

Sihanouk Statement Broadcast

*BK0704112589 Beijing in Cambodian to Cambodia
1030 GMT 7 Apr 89*

[Statement explaining the attitude of Samdech Norodom Sihanouk, president of Democratic Kampuchea— date and place not given]

[Text] 1. If in September 1989 there really is the so-called withdrawal of Vietnamese troops from Cambodia, this withdrawal should be conducted under the supervision of the United Nations rather than any individual country unilaterally chosen by Vietnam.

2. The Cambodian national resistance forces know that the PRC will halt its assistance to the three factions of the Coalition Government of Democratic Kampuchea [CGDK] when the United Nations has verified Vietnam's genuine and complete withdrawal of troops from Cambodia.

3. The SRV has no right to determine Cambodia's destiny by itself without the approval of Cambodia's legal government—that is, the CGDK.

USSR Welcomes Indochinese Statement

*OW0804021589 Beijing XINHUA in English
0108 GMT 7 Apr 89*

[Text] Moscow, April 6 (XINHUA)—The Soviet Union welcomes the statement of the Phnom Penh regime, Laos and Vietnam on the earliest settlement of the Kampuchean problem and regards it as a balanced and workable program of action, the Soviet Foreign Ministry stated today.

The governments of the Phnom Penh regime, Laos and Vietnam announced Wednesday that Vietnam will complete its troop withdrawal from Kampuchea by late September this year. They also called for cessation of foreign military aid to all Kampuchean sides and interference from outside into the Kampuchean internal affairs.

The Soviet Foreign Ministry statement, published by the official Soviet news agency TASS tonight, said now that the negotiating process in Indochina enters into the stage of practical decisions, all interested sides and states are required to display a responsible approach.

For its part the Soviet Union is prepared to do everything possible to attain the goal of eliminating the flashpoints of tension in Southeast Asia and creating the zones of peace there, the statement said.

SRV Rejects UN Supervision

*OW0804153489 Beijing XINHUA in English
1515 GMT 8 Apr 89*

[Text] Hanoi, April 8 (XINHUA)—Vietnam's Foreign Ministry today refused to accept U.N. supervision of the United Nations over its announced total troop withdrawal from Kampuchea. [sentence as received]

Asked by XINHUA in Hanoi to comment on the proposals made by President of Democratic Kampuchea Samdech Norodom Sihanouk and others on U.N. supervision, a Vietnam Foreign Ministry spokesman reiterated the position taken April 5.

In the joint declaration issued on April 5, Vietnam said that India, Poland and Canada have been invited to carry out international control and supervision of the troop withdrawal instead of the U.N.-sponsored group demanded by the international community.

The spokesman said, "The joint declaration of Vietnam, Laos and the People's Republic of Kampuchea suggested that a personal representative of the secretary general of the United Nations would take part in the international commission on Kampuchea, which was set up in 1954, to control and supervise the withdrawal of Vietnamese troops as well as the cessation of foreign interference and of military aid to the Kampuchean parties."

"In the past ten years, the U.N. has stood by one side and opposed another side on the Kampuchean issue. Therefore, the U.N. cannot play an objective role," the spokesman said.

Son Sann Favors UN Supervision

OW0904001089 Beijing XINHUA in English
1507 GMT 8 Apr 89

[Text] Paris, April 8 (XINHUA)—Democratic Kampuchea Coalition Government Prime Minister Son Sann has expressed his welcome to the Vietnamese announcement that it will withdraw its troops before September of this year and has requested the withdrawal be under international supervision.

In a declaration received here today, the prime minister said Hanoi should submit its troop withdrawal plan to United Nations Secretary General Javier Perez de Cuellar so that he can discuss with the Security Council dispatching U.N. Peacekeeping Forces or international supervision bodies to Kampuchea.

Son Sann, who is now in Paris, signed the declaration under the title of the prime minister of the Coalition Government of Democratic Kampuchea and the president of the Khmer People's National Liberation Front.

Cambodian UN Envoy Criticizes Plan

OW0804130589 Beijing XINHUA in English
1052 GMT 8 Apr 89

[Text] United Nations, April 7 (XINHUA)—A high-ranking official of Democratic Kampuchea criticized the announced Vietnamese troop withdrawal from Kampuchea as "fully conditional" rather than unconditional as Hanoi has claimed.

Vietnam wants to mislead the international community by announcing that it will totally and unconditionally withdraw from Kampuchea, but "in fact, their withdrawal is fully conditional," Thiounn Prasith, Kampuchean ambassador to the United Nations, said in an interview with XINHUA here today.

His remarks followed a joint announcement by Vietnam, Laos and Kampuchea's Phnom Penh regime on Wednesday that Vietnam will completely pull out its 120,000 troops stationed in Kampuchea by the end of September.

Thiounn Prasith said that Vietnam, while announcing the troop withdrawal, has insisted on keeping the Phnom Penh regime in power which is nothing but an apparent precondition for its withdrawal.

"This is another condition Vietnam has put for its withdrawal because the international control commission's members have been named by Vietnam, (as) the aggressor," the ambassador said.

Vietnam, Laos and the Phnom Penh regime have invited the commission, set up under the 1954 Geneva agreements on Kampuchea and made up of India, Poland and Canada, to supervise its troop withdrawal.

While rejecting such a commission, the ambassador said that because the commission's mandate and task are limited, it will create a possible loophole for Hanoi to maintain a certain number of troops in Kampuchea.

He said that Hanoi is afraid of a UN observer force because only a UN force could conduct a thorough and effective supervision of the troop withdrawal.

According to the ambassador, Hanoi has reorganized about 20,000 to 30,000 of its troops into the Phnom Penh government troops and moved about one million Vietnamese settlers into Kampuchea.

He told XINHUA that over the past year the Kampuchean resistance forces led by Prince Norodom Sihanouk have offered concessions to achieve a political settlement of the Kampuchean problem. These have included proposals to dismantle the Coalition Government of Democratic Kampuchea, disarm the resistance forces and establish a quadripartite government.

However, he said, Hanoi and the Vietnamese-installed regime in Phnom Penh has not made any concessions.

"They rejected a UN peacekeeping force, they refused to dismantle the Phnom Penh regime and they refused Prince Sihanouk's five-point peace proposal," the ambassador said.

He added that "all these have showed that Vietnam, by attempting to mislead international opinion, is trying to maintain its domination over Kampuchea."

UN Secretary General Welcomes Plan
OW0804114989 Beijing XINHUA in English
0728 GMT 8 Apr 89

[Text] United Nations, April 7 (XINHUA)—UN Secretary General Javier Perez de Cuellar today welcomed the Vietnamese announcement of its total troop withdrawal from Kampuchea by the end of September this year.

Francios Giuliani, spokesman for the secretary general, told reporters that the UN chief welcomed the Vietnamese decision "as a step forward" and hoped that this would lead to a comprehensive political settlement of the Kampuchean problem.

Vietnam invaded Kampuchea in 1978 and has stationed about 120,000 troops in the country.

Previously, the Vietnamese Government had made similar announcements on partial withdrawal of its troops. However, the Kampuchean resistance forces led by Prince Norodom Sihanouk have rebuked such withdrawal as routine Vietnamese troop rotation.

Giuliani said that the secretary general will make a careful study of the joint statement issued by Vietnam, Laos and the Phnom Penh regime on the Vietnamese troops withdrawal.

The joint statement, issued on Wednesday, also calls for the establishment of an international control commission to supervise the Vietnamese troop withdrawal from Kampuchea instead of a UN peace-keeping force as urged by Sihanouk.

Singapore Views Troop Withdrawal
OW0704232889 Beijing XINHUA in English
1846 GMT 7 Apr 89

[Text] Singapore, April 7 (XINHUA)—Vietnam's decision to withdraw all its forces from Kampuchea by September 30 this year was "a positive development", but it did not address several key elements of a comprehensive solution of the problem, a spokesman of the Singapore Foreign Ministry said today.

The spokesman said that the actual number of Vietnamese troops presently in Kampuchea and their complete withdrawal needed to be independently verified. This was to prevent their remaining in Kampuchea under other guises.

Vietnam had claimed that the International Control and Supervision Commission (ICSC) it was proposing was in fulfillment of the agreement reached at JIM Two (the second Jakarta Informal Meeting on the Kampuchean problem).

The spokesman stressed that this was not correct.

Under the consensus statement of the chairman of JIM Two, the spokesman pointed out, the natural position, size, operational principles and length of operation of the international control mechanism (ICM) would be subject to negotiations by the parties.

The spokesman stressed that Vietnam should not unilaterally decide on the composition and role of the ICM.

The spokesman agreed with the view of Samdech Norodom Sihanouk that the withdrawal must be supervised by the United Nations and not by countries chosen alone by Vietnam.

The consensus statement also stated that the functions of the control mechanism would be to monitor, supervise and verify the withdrawal process and the conduct of the general elections and also prevent armed hostilities from resuming, the spokesman said.

The spokesman pointed out that Vietnam had only spoken of the ICM's role on the withdrawal and was silent on the role of the ICM on the internal aspects of the solution.

The spokesman added that the withdrawal of Vietnamese troops was only one aspect of a comprehensive solution. Attempts to achieve Kampuchean national reconciliation through a four-party government should be intensified.

Vietnam Rejects Sihanouk's Peace Conference Idea
OW0904141589 Beijing XINHUA in English
0932 GMT 8 Apr 89

[Text] Hanoi, April 8 (XINHUA)—Vietnam has indirectly rejected a proposal by Samdech Norodom Sihanouk that an international peace conference on Kampuchea be held in Paris.

Sihanouk's proposal for a conference in Paris was made one day after Vietnam announced that it would withdraw all of its forces from war-ravaged Kampuchea before October.

The Foreign Ministry said Vietnam hopes that "all Kampuchean parties, first of all, Hun Sen and Prince Sihanouk, will meet soon and reach agreements on the internal problems of Kampuchea in order to resume the JIM-2 [second Jakarta Informal Meeting] and discuss organization of an international conference on Kampuchea."

The Foreign Ministry made no comment on the proposal by Sihanouk and others that the announced Vietnamese troop withdrawal should be supervised by the United Nations, rather than by an international commission made up of nations including India, Poland and Canada, as Vietnam has suggested.

Sihanouk Letter on Meeting With Hun Sen Released
BK0904132389 Hong Kong AFP in English
1251 GMT 9 Apr 89

[Excerpts] Beijing, April 9 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk said here Sunday the fourth round of talks with Phnom Penh Prime Minister Hun Sen would take place on May 2-3 in Jakarta, not in Paris.

In a telegram addressed to Indonesian President Suharto and made public here Sunday, Prince Sihanouk said he wanted to extend his stay in Jakarta to May 4 or 5 in order to hold non-official talks with Mr. Hun Sen. [passage omitted]

In another telegram to Indonesian Foreign Minister Ali Alatas, the prince also reiterated his opposition to a call by Vietnam and its Indochinese allies Cambodia and Laos to reactivate the 1954 International Control Commission on Indochina to supervise the withdrawal of Vietnamese troops from Cambodia. [passage omitted]

"The Geneva Conference of 1954 was only concerned with ending the first Indochinese war. That took place in the 1950's (and) at present it is neither legal nor sensible to resuscitate something that is already dead," the prince wrote in the telegram, a copy of which was released here Sunday.

Last Thursday [6 April], Prince Sihanouk asked French President Francois Mitterrand to organize an international conference on Cambodia, adding Sunday that the meeting would deal with all aspects of the Cambodian problem including an international peacekeeping force.

Vietnam, however, would prefer instead that a second series of "informal discussions" first be held at the end of June or beginning of July in Jakarta.

Qian Qichen Hosts Dinner for Sihanouk
OW0804133489 Beijing XINHUA in English
1305 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Chinese Foreign Minister Qian Qichen hosted a dinner here this evening in honor of Norodom Sihanouk, president of Democratic Kampuchea, and his wife.

The Sihanouks are scheduled to leave here for the Democratic People's Republic of Korea.

At the dinner, Qian reiterated China's support for Sihanouk's efforts for a political settlement of the Kampuchean question.

Sihanouk thanked the Chinese Government for its support to the just struggle of the Kampuchean people.

Thai Legislators Arrive in Shanghai 8 April
OW1004000689 Shanghai City Service in Mandarin
2300 GMT 8 Apr 89

[From the "Morning News" program]

[Text] A delegation from the House of Representatives of Thailand led by its speaker, Pancha Kesonthong, arrived in Shanghai by plane on the afternoon of 8 April, after visiting Beijing and Xian. The delegation was accompanied by Qian Min, member of the NPC Standing Committee.

In the evening the Shanghai Municipal People's Congress Standing Committee hosted a banquet at the Hongqiao Guesthouse to entertain the honored guests from Thailand, China's good neighbor. Ye Gongqi, chairman of the Shanghai Municipal People's Congress Standing Committee, and Pancha Kesonthong, speaker of the House of Representatives, gave speeches brimming with warm feelings at the banquet, which was filled with an atmosphere of friendship.

Chinese Historical Display Opens in Singapore
OW0804224189 Beijing XINHUA in English
1033 GMT 8 Apr 89

[Text] Singapore, April 8 (XINHUA)—An exhibition on "imperial life in the Qing Dynasty" opened here to Singapore public today.

The exhibition displaying 312 magnificent collections of China's Shenyang Palace Museum reflects myriad aspects of imperial life in the Qing Dynasty. It includes imperial ceremonial flags and decorations, the living area for an imperial consort, and the "grand administration hall" where the emperor conducted his morning court sessions to discuss state affairs.

The 8-month exhibition is the first display of China's historical treasures ever held in Singapore.

The exhibition was organized under an agreement signed by the governments of China and Singapore on February 1986 to promote their cooperation in tourism and cultural areas.

According to the agreement, over the coming five years, five major exhibitions would be brought to Singapore from China's most significant museums.

President Accepts Burmese Envoy's Credentials
OW0704120689 Beijing XINHUA in English
1036 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Chinese President Yang Shangkun here today accepted the credentials of new Burmese Ambassador to China U Tin Aung Tun.

The new ambassador arrived in Beijing on March 30.

Near East & South Asia

Tense U.S.-Israeli Relations Viewed

HK0704152589 Beijing RENMIN RIBAO in Chinese
7 Apr 89 p 4

["International Outlook" column by reporter Lin Jiaoming (2651 4109 2494): "Have U.S.-Israeli Relations Turned Sour?"]

[Text] Cairo, 5 Apr—Hardly had the heels of Egyptian President Mubarak crossed the threshold of the White House when Israeli Prime Minister Shamir stepped into Washington. This time it is curious what Shamir will say to the U.S. President.

"Israel has always been prided as an extension of the civilization of the United States." But the image of Israel in Western television news looks like this: Soldiers pulling the triggers of their guns aimed at Palestinian children 4 to 5 years old. To steer clear of culpability, U.S. officials have distanced themselves from Tel Aviv, and Western public opinion has changed sides. It is likely that Shamir will get a taste of the changed flavor of U.S.-Israeli relations.

The 3 April talks between Mubarak and Bush have had a fairly strong impact, hitting Shamir squarely in the face. "Calling an international conference of suitable structure at the right moment will work." "Israel should cease its occupation of the West Bank and the Gaza Strip." These statements made by President Bush carry weight. The PLO immediately responded with positive evaluations of these statements. It is said that the Israeli Foreign Ministry has given orders not to make public comments on Bush's statements until Shamir has personally clarified them in Washington.

In reality, it is not Shamir alone who wants an understanding of the issue. President Bush and Secretary of State Baker notified Israel before Shamir embarked on the U.S. visit to carry a "new Middle East proposal" to Washington. According to revelations made in the press, the new proposal carried by Prime Minister Shamir consists of the following five points: 1) The holding of civil elections in the West Bank and Gaza Strip, and the Israeli authorities will hold talks with the elected representatives. It is "possible" Israel will withdraw its army from part of the occupied urban areas. 2) The holding of elections "can" be publicly assisted by Egypt and Jordan. 3) The creation of an atmosphere for peace talks by resuming school classes and releasing imprisoned Palestinians. 4) The implementation of the transition phase toward Palestinian "self-rule." 5) "There can be talks on any issue." But there will not be talk of the "land in exchange for peace" principle, nor will there be face-to-face talks with the PLO.

Now there is something worth watching here. Not mentioning the fact that there is nothing new in Shamir's new proposal—for its core contents are still the old prescription of "self-rule"—to judge merely the words, the new proposal is in direct contrast to Bush's ideas. The United States is in favor of the "land in exchange for peace" principle, to which Shamir is adamantly opposed. The United States is in favor of ending the occupation of the West Bank and the Gaza Strip; this, too, has met with Shamir's objection. The United States agrees to calling an international conference of "appropriate structure;" Israel also opposes this. Fundamentally, the Bush administration conceives of a political resolution of the Middle East issue. This, in view of Shamir's entrenched position, is where the United States and Israel diverge. Western news agencies have all predicted that in the forthcoming talks, "sharp confrontations" are unavoidable between the United States and Israel.

Of course, U.S.-Israeli strategic relations have remained unchanged. "Ensuring Israel's security" remains one of the three pillars of U.S. Middle East policy. In terms of short-range goals, to gain a respite both the United States and Israel are trying hard, though by different means, to weaken or stop the Palestinian uprising in the occupied territories. Israel will not "permit the appearance of a Palestinian state in the Middle East." The United States, though approaching from a different angle, has remained opposed to the establishment of a Palestinian state. So, the talks between Shamir and Bush will see "sharp confrontations," but there is still common language.

Present U.S.-Israeli relations are at a sensitive and delicate moment: One side is determined to "fish in the air," blindly following a dead-end path; the other side has perceived the general change and wisely is starting to organize dialogues with the PLO, ready to strike out on another path. Having run up scores of times against a stone wall, the Bush administration has learned a lesson: Tread cautiously in the Middle East and work to make an opening for direct dialogue between Israel and the PLO. But Israel has held out against talks with the PLO. According to analysts, exactly what the framework of the "appropriate structure" will be, and who will be the delegate for "Palestine" in Palestinian-Israeli direct talks—will be the vital points in the Bush-Shamir talks.

The forthcoming talks between the leaders of Egypt, Israel, and Jordan and President Bush in Washington represent a significant diplomatic move in U.S. Middle East policy. The 40 years of turmoil in the Middle East has repeatedly shown "the fleeting nature of the chance of peace." If at a critical moment the United States cannot be dead set on forcing Israel to accept reality, thus dashing once again the Arab's desire for peace, in the end it is likely that the United States which will pay the greater price.

On the eve of the U.S.-Israeli talks, a celebrated line from an Israeli newspaper is well worth a thought by President Bush: "Not all Israelis are Shamir."

Impact of Afghan Civil War Viewed
HK0904083089 Beijing RENMIN RIBAO in Chinese
8 Apr 89 p 4

["International Outlook" column by correspondent Ren Yujun (0117 3022 7486): "The Afghan Civil War and Its Impact"]

[Text] Islamabad, 5 Apr.—The battle of Jalalabad has been going on for a month already. The attackers, the Afghan seven-party alliance guerrillas, have not achieved a major breakthrough, nor have the defenders, the Kabul government army, been able to break the siege. Since the beginning of April, the attack on this city has tended to escalate. The guerrillas have decided to send in about 20,000 reinforcements, bringing the besieging force up to about 40,000. The Kabul side has also brought in reinforcements by land and air, most of them being "volunteers" composed of People's Democratic Party members. Both sides are also using every available weapon. MiG-27's of the Kabul government army carry out low-level strafing and bombing, causing heavy casualties among the guerrillas; while the guerrillas for their part are using Stinger missiles in response. Over the past month, more than 1,000 attackers and defenders have been killed and an unknown number have been wounded.

The guerrillas recently formulated a new combat guideline; apart from continuing to concentrate forces for the attack on Jalalabad, they also launched attacks on large cities such as Kabul, Kandahar, and Herat, while on both sides of the Salang Highway they exchanged fire with government forces and also started to launch rocket attacks on Kabul. The Kabul government has cried out in alarm that the Afghan situation has reached "the crucial moment," and called on the UN secretary general to pay attention to developments. An Afghan civil war in which advanced weapons from the two superpowers are used to kill and wound Afghans shows signs of becoming a long drawn-out and comprehensive affair.

Although the conflict in Afghanistan is a civil war, the scope of its impact is by no means confined to Afghanistan, and it casts a shadow on the South Asia region and indeed on the international community.

First, it affects the improvement in Indo-Pakistani relations. The Indian and Pakistani prime ministers met at the South Asia regional alliance summit in Islamabad at the end of last year, and both sides expressed hopes for improved relations and signed three agreements including one on "not attacking each other's nuclear installations." International opinion felt happy that two new-generation prime ministers were setting to work to change the confrontation between the two major South Asian states. However, after the battle of Jalalabad broke out, the Indian press accused Pakistan of interfering in the Afghan civil war, while the Pakistani press has also

on occasion cited reports from guerrilla sources, making some accusations against India. Such an atmosphere is not really in harmony with the trend of improving Indo-Pakistani relations.

Second, it hampers reconciliation between the Soviet Union and Pakistan. Around the time of the complete Soviet withdrawal from Afghanistan, Soviet First Deputy Foreign Minister Vorontsov and Foreign Minister Shevardnadze visited Pakistan in succession and undertook to provide a variety of economic assistance to Pakistan. Prime Minister Benazir Bhutto also expressed the desire to improve relations with the Soviet Union following settlement of the Afghan question. People expected that Soviet-Pakistani relations would "come in from the cold." However after the Afghan civil war broke out, the two sides traded accusations and relations turned cold again. It seems that the Afghan question remains a major stumbling block to improving relations between the two countries.

Third, the hardline stands of the United States and the Soviet Union on the Afghan question have not changed, and both sides have indicated that they will continue to ship arms to the side they support. In fact all the weapons used by the two sides in the Afghan civil war come from the United States and the Soviet Union, the two superpowers, and the civil war could not continue without sources of arms. Judging by the present situation, this hot spot, Afghanistan, will continue to be a bargaining chip in U.S.-Soviet relations.

Li Peng Meets With Pakistani Special Envoy
OW1004113389 Beijing XINHUA in English
1101 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—Chinese Premier Li Peng met Iqbal Akhund, a special envoy of Pakistan Prime Minister Benazir Bhutto, here today.

During the meeting, Akhund passed on to Li a letter from B. Bhutto and briefed the Chinese premier on Pakistan's position on the current situation in Afghanistan.

Li Peng, expressing concern over the issue, said China wants to see the establishment of a broadly based coalition government which involves all the political forces in Afghanistan, following the pull-out of Soviet troops.

This will help bring peace back to the country and restore the nation's neutral, non-aligned status, enabling the Afghan refugees to go home at an early date, the Chinese premier added.

Yesterday, Chinese Foreign Minister Qian Qichen and Akhund exchanged views on a variety of issues in a meeting. Qian also gave a dinner in honor of Akhund, who arrived here last Saturday.

Tian Jiyun Meets Delegation From Bangladesh
OW0704193989 Beijing XINHUA in English
1039 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Chinese Vice Premier Tian Jiyun met a water conservation delegation from Bangladesh led by Minister of Planning Abdul Karim Khandoker here today.

Nepalese Water Resources Minister Pays Visit

Departs for Beijing
OW0604131889 Beijing XINHUA in English
1122 GMT 6 Apr 89

[Text] Kathmandu, April 6 (XINHUA)—A five-member Nepalese delegation led by Water Resources Minister Hari Bahadur Basnyat left here this afternoon for a week-long visit to China.

The minister told XINHUA at the airport that the use of water resources and other matters of mutual interest will be discussed in China during his visit.

China has rich experience in irrigation and power generation and has given great help to Nepal, he said.

He hoped his visit will help strengthen understanding between the two countries and they will explore new areas of cooperation.

Holds Talks With Tian Jiyun
OW0804131089 Beijing XINHUA in English
1134 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Chinese Vice Premier Tian Jiyun met H.B. Basnyat, minister of water resources of Nepal, and his party here today.

Tian and Basnet spoke highly of the close friendly ties and cooperation between the two countries.

This morning, Chinese Minister of Water Resources Yang Zhenhuai and Basnet held talks to exchange views on furthering bilateral technological and economic cooperation in the field of water resources.

Sub-Saharan Africa

Togolese President Eyadema Continues Visit

Zhao Discusses International Order
HK1004033289 Beijing RENMIN RIBAO in Chinese
8 Apr 89 p 1

[Report by Wen Xian (3306 2009): "Zhao Ziyang Meets Togolese President, Says that Developing Countries Should Also Make Efforts To Establish a New International Political and Economic Order"]

[Text] Beijing, 7 Apr—This afternoon, CPC Central Committee General Secretary Zhao Ziyang exchanged opinions on the establishment of a new international

political and economic order and other issues with Togolese President Eyadema, who is also president and founder of the Rally of the Togolese People during their meeting in Zhongnanhai.

Zhao Ziyang said: At present, the general tendency of the international situation is detente. The changes in the international situation provide an opportunity and possibility for us developing countries, but the problem cannot be solved automatically. We still have to make great efforts. Developing countries should cherish this opportunity, and study how to make use of this opportunity to solve the development issue in the developing countries. We should maintain a united and stable political situation at home and adopt a flexible and realistic economic policy.

He further expounded his opinion by saying that developing countries must achieve a favorable external condition in order to develop themselves. That is, we need a favorable international environment. At present, we should establish a new international political order on the basis of the five principles for peaceful coexistence. Historical practice shows that the five principles for peaceful coexistence are full of vitality. The relaxation of international relations will not automatically give rise to the new political order. Only through the joint efforts of the third world countries and all justice-upholding countries can the new order be established.

He said: While establishing the new international political order, we must also establish a new international economic order. Developed countries should help developing countries. The situation in which the poor become poorer and the rich get richer should be changed. We developing countries should also make contributions to the establishment of the new international economic order.

Zhao Ziyang expressed appreciation for the domestic and foreign policies pursued by President Eyadema since he came into power, and indicated that the CPC and the Chinese people deeply cherish the friendship between the two countries.

President Eyadema briefed Zhao on Togo's positive role in mediating disputes between African countries. Togo appealed to the international community to take proper measures for solving this important issue. He also expressed satisfaction at the smooth development of relations between Togo and China.

Li Peng Views Cambodia, Namibia
HK1004083689 Beijing RENMIN RIBAO in Chinese
8 Apr 89 p 1

[Report by Wen Xian (3306 2009): "Li Peng Holds Talks With Togolese President, Says that Effective International Supervision Is Needed for Withdrawal of Vietnamese Troops From Cambodia"]

[Text] Beijing, 7 Apr—Today, State Council Premier Li Peng stressed: "The key to the settlement of the Cambodian issue lies in the withdrawal of Vietnamese troops

from Cambodia. At present, since the Vietnamese Government has announced its plan for the force withdrawal, we hope that the Vietnamese authorities will keep their promise and really honor their promise without changing the force withdrawal schedule any more, without attaching any additional conditions to the force withdrawal, without setting any obstacles, and without returning to Cambodia under any pretext." Li Peng said this when he held official talks with Togolese President Eyadema this morning in the Great Hall of the People.

Li Peng said: The Vietnamese troops must be withdrawn under effective international supervision. China supports Prince Sihanouk's position that international supervision should not be designated by Vietnam. We hold that the international supervision body should be established by the general secretary of the United Nations through consultations with the countries concerned. So long as Vietnam really withdraws all its troops from Cambodia, China will, together with other countries, stop offering military assistance to various factions in Cambodia.

When talking about the Namibian issue, Li Peng said that Namibia's independence process has begun, and we express welcome to this and hope that all the parties concerned, especially the South African authorities, will earnestly implement the agreement and ensure the smooth advance of the independence process in Namibia. He pointed out that the new way to solve the hot spots in Africa through negotiations has been found, and efforts in this regard have achieved initial results. Many African countries have improved their mutual relations and have strengthened the united tendency. At the same time, they are exploring ways to promote development in light of their own national conditions. This is of great significance.

Li Peng stressed that political stability is a necessary prerequisite for economic development and steady economic development in turn provides a solid foundation for political stability. Li Peng also briefed President Eyadema on China's domestic situation.

President Eyadema told Premier Li Peng of the situation in Togo. He said that Togo will strive for real peace, stability, and security, and the key lies in economic development and economic independence. At the same time, his country needs a peaceful and friendly relationship with its neighboring countries and needs peace and stability in Africa as a whole. The central issue in Togo's economy is to develop agriculture.

The two sides also deeply and concretely discussed the issues concerning the two countries' economic, trade, and technological cooperation.

Deng Xiaoping on Solving Problems

HK1004092489 Beijing RENMIN RIBAO in Chinese
9 Apr 89 p 1

[Report by Wen Xian (3306 2009): "Deng Xiaoping Meets Eyadema, Saying That Ways Can Be Found To Overcome Difficulties in the Course of China's Advance"]

[Text] Beijing, 8 Apr—Today, Central Military Commission Chairman Deng Xiaoping praised Togo's successful handling of agriculture. He said: "In my view, the 'Green Revolution' should be continued for 100 years or even 200 years. Not only should you do this, but we should also do this."

Deng Xiaoping, 85, met with Togolese President Eyadema, 54, in the Great Hall of the People, and Deng called Eyadema an old friend he has known for 15 years. He said: "We met for the first time in 1974. At that time, Premier Zhao Enlai was seriously ill, so I talked with you on his behalf. At that meeting, we discussed the agricultural issue. In 1978, you carried out a 'Green Revolution.'" Eyadema nodded and said: "We did attach importance to your opinion, and we have now realized self-sufficiency in grain." Deng Xiaoping added: "In this respect, your advance was quicker than ours. We are still barely sufficient in our grain output. Although we have also achieved development, our difficulty is that the population is too large, and we have not quite effectively controlled the increase in population."

When talking about China's domestic situation, Deng Xiaoping said that the 3d Plenary Session of the 11th CPC Central Committee represented a turning point. After that, our party formulated a series of new principles and policies, and the implementation of these principles and policies led to smooth development for several years. However, the economy became overheated, and problems appeared in the relationship between supply and demand. If we perceived these problems 5 years ago or even 3 years ago, the state of affairs would still be better than it is now. China may have provided certain experiences for the international community. When our cause is making progress smoothly, we must still be alert to the possibility of making errors. When things are developing smoothly, we must be aware of the possible new problems, and must do our best to prevent errors and reduce the effects of the errors. Anyhow, ours are just errors in the course of development, and the difficulties we have encountered are just difficulties in the course of advance. So we will certainly be able to solve them.

President Eyadema expressed gratitude for China's warm hospitality to him during his current visit and China's assistance to Togo. Deng Xiaoping said: We also have difficulties, so our assistance is very limited. However, I believe that our friendship is lasting, and our cooperation will continue for a long time. He said: "I think that the most valuable thing is our lasting mutual trust and friendship."

Agreements Signed, Leaves for Tianjin
OW0804135689 Beijing XINHUA in English
1258 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Visiting Togolese President Gnassingbe Eyadema and his entourage left here for Tianjin this afternoon.

The president was accompanied by Ai Zhisheng, chairman of the Chinese Government reception committee and minister of radio, film and television.

Prior to the guests' departure Chinese President Yang Shangkun saw the guests off at the Diaoyutai State Guesthouse.

Yang said the Togolese president's visit is a success, short as it is.

Eyadema described the visit as "very good", adding that has been proved by the three documents signed here this afternoon between the two governments.

Signed were an agreement on China providing loans to Togo, an exchange of letters on the study of the construction of a stadium in Togo by China, and an exchange of letters on Togo postponing the repayment of a Chinese loan extended in 1972.

Departs Tianjin for Japan
OW0904090789 Beijing XINHUA in English
0821 GMT 9 Apr 89

[Text] Tianjin, April 9 (XINHUA)—Togolese President Gnassingbe Eyadema and Mrs Eyadema and their party left Tianjin today by special plane for Japan after concluding their visit to China.

They were seen off at the airport by Tianjin Mayor Li Ruihuan and Ai Zhisheng, chairman of the Chinese Government reception committee and minister of radio, film and television.

The Togolese guests arrived in Tianjin from Beijing yesterday afternoon. In the evening, Mayor Li gave a banquet in their honor.

Yang Shangkun Meets Angolan Justice Minister
OW1004091989 Beijing XINHUA in English
0834 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—China wants to see agreements and resolutions on Namibia fully implemented so that it attains independence as scheduled and free and fair elections under the supervision of the United Nations are carried out there.

This statement was made by Chinese President Yang Shangkun at a meeting with Franca Van Dunem, special envoy of the Angolan president and minister of justice, here today.

Yang said that the Chinese Government and people are pleased to see that the U.N. Security Council Resolution No. 435 began to be implemented on April 1. He also

praised Angola for its efforts to support the Namibian people's struggle and for a fair and reasonable settlement of problems in southwestern Africa.

During the 40-minute meeting, Van Dunem presented to Yang Shangkun two letters from Angolan President Jose Eduardo dos Santos. He also conveyed the president's thanks for China's assistance and for the warm reception accorded the president during his visit to China last October.

Dos Santos wants to see Angola's friendship and cooperation with China further enhanced, the envoy said.

Thanking Dos Santos for writing him the letters, Yang said that this shows the importance the president attaches to Sino-Angolan ties.

Yang told the envoy that China also attaches importance to the relations which have been growing smoothly since President dos Santos' last visit.

The special envoy arrived here last Saturday.

West Europe

Zheng Tuobin Meets With UK's Lord Young
OW0904130889 Beijing XINHUA in English
1230 GMT 9 Apr 89

[Text] Beijing, April 9 (XINHUA)—Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and British Secretary of State for Trade and Industry Lord Young held talks here today.

They exchanged views on furthering Sino-British economic cooperation and trade.

Lord Young and his party arrived here yesterday on a friendly visit to China. During their stay in China, the guests are scheduled to attend a seminar on Sino-British economic and trade relations in Wuhan in central China.

Tian Jiyun Meets Lord Young
OW1004085489 Beijing XINHUA in English
0737 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—China will attach great importance to the inspection of exported goods and strive to improve their quality, Chinese Vice-Premier Tian Jiyun said here today.

At a meeting with the visiting British Secretary of State for Trade and Industry Lord Young, Tian expressed his satisfaction with the development of Sino-British trade in recent years.

"The past year has witnessed total trade worth more than 1.5 billion U.S. dollars between the two countries," Tian said. "Although the figure is not high, bright prospects lie ahead."

He said China will open its domestic markets even wider to foreign businessmen and that, through joint efforts, Sino-British trade will be raised to a new level.

He encouraged British entrepreneurs to invest in China and run exclusively-funded enterprises or joint ventures, and hoped that China and Britain would join hands in high-tech projects.

Lord Young, on his fifth visit to China since 1985, said Britain and China have enjoyed good relations and trade between them is continuing to advance.

He disclosed that Britain will hold a trade exhibition in Beijing at the end of this year.

According to trade authorities, the value of Sino-British trade in 1988 totalled 1.55 billion U.S. dollars, the third highest figure for trade between China and Western European countries. China's main exports to Britain are traditional livestock products while imports are technological equipment.

Lord Young and his party are due to leave here this afternoon for Chongqing, Yueyang and Guangzhou and take part in a seminar on Sino-British economic and trade relations in Wuhan, central China.

'News Analysis' on British-Soviet Talks
OW0804125289 Beijing XINHUA in English
0835 GMT 8 Apr 89

[By Fu Quansheng: "News Analysis: Anglo-Soviet Arms Differences Remain"—XINHUA headline]

[Text] London, April 7 (XINHUA)—British Prime Minister Margaret Thatcher and Soviet leader Mikhail Gorbachev have wound up their summit in London with increasing rapport, but their contrasting views on arms control remain unchanged.

Gorbachev's visit to Britain was described by Thatcher as "very successful, very warm and friendly," while Gorbachev said upon his departure this afternoon that Soviet-British relations had been elevated to a "new level."

Economic ties are closer following Gorbachev's meeting with top British businessmen and talks between Trade Secretary Lord Young and Soviet Deputy Prime Minister Vladimir Kamentsev. An investment agreement was signed and British industrialists were said to be determined to boost trade with Moscow.

But on the eye-catching issue—arms control—both leaders remained tough, neither has moved an inch closer to the opposite side.

Gorbachev, advocating a nuclear-free world, stressed that reliance on force was a dangerous approach and "realities have laid bare the failure of the philosophy of confrontation."

"I am a confirmed opponent of nuclear weapons and strongly advocate their total elimination," he said.

Modernization of short-range nuclear weapons, he said, was against the spirit of the Vienna arms control talks.

Gorbachev presented to the world today what he called another "major step" for his peace initiative with a proposal to cease production of enriched weapon-grade uranium this year.

"In addition to the industrial reactor for the production of weapon-grade plutonium that was shut down in 1987, we plan to shut down two other such reactors this and next year without commissioning new units to replace them," Gorbachev said.

But this new step was dismissed here as insignificant. Thatcher said the Soviets plan the shutdowns because "they probably have quite a sufficient stockpile of uranium."

Thatcher, a staunch adherent of the modernization of short-range nuclear missiles, said she regards Gorbachev's view to be "romantic."

She repeated her view during Gorbachev's three-day visit: "Conventional weapons do not deter war in Europe, whereas nuclear weapons have done so for over 40 years. As a deterrent there is no substitute for them."

She argued that the Soviet Union had just completed its modernization program, so NATO should also complete its.

With each clinging to his own views, they knew only too well that neither would take the least, if any, move towards the opposite side.

But why talk?

They were actually exploiting the occasion to speak to others, Federal Germany in particular.

Gorbachev's arms initiative at the UN General Assembly last December has to some extent caused a rift in NATO member countries. He also has won positive response among most of the Western public to his unilateral arms cuts.

Federal Germany, where NATO's short-range missiles are deployed, bears the brunt amid the waves of "Gorbomania."

Chancellor Helmut Kohl and his foreign minister cannot afford either to ignore the public sentiments or display any "uncertainty over the NATO plans, which has them in a dilemma over modernizing nuclear weapons.

Thatcher's visit to Bonn early this year not only failed to persuade Kohl and his colleagues of the modernization need, but to her dismay, she found that they were resentful of her meddling.

French President Francois Mitterrand had assured Bonn that France would support the German Government on the modernization issue and U.S. President George Bush had also promised to consult Bonn before he decides when to replace the Lance nuclear missiles deployed in Federal Germany.

Gorbachev, who is scheduled to visit Bonn in June, may manage to influence Kohl to postpone, if not scrap, the modernization decision.

Meanwhile, Thatcher, deeply concerned with Bonn's stand, is trying her best to set Bonn's wavering feet on firm ground, and not be greatly affected by Gorbachev's preaching.

Next month's NATO summit will open to celebrate its 40th anniversary, and Thatcher is expected to give Kohl another lecture.

But Gorbachev, determined to pursue his policy regardless of the prevailing doubts in the West, will also try to offset Thatcher's efforts for modernization.

Thatcher Responds to Gorbachev's Speech
OW0804213489 Beijing XINHUA in English
1515 GMT 7 Apr 89

[Text] London, April 7 (XINHUA)—British Prime Minister Margaret Thatcher today did not give any straight answer to Soviet leader Mikhail Gorbachev's appeal for arms reduction and stressed the security and defense for the West.

Thatcher said at London's Guildhall after Gorbachev had made his major speech there that Western countries should retain their defenses that are sufficient for their security.

"We too want to see fewer weapons, always providing our security and defense are assured," the prime minister said.

Soviet leader Gorbachev, on the second and last day of his visit to Britain, said in his speech that his country will stop producing uranium used for making nuclear weapons.

"We have recently decided to cease, as of this year, the production of enriched weapon-grade uranium," he said.

Thatcher, in her answering speech, gave no comment on that initiative but said Britain will study Gorbachev's speech "with the greatest possible care."

She also spoke cautiously of the concept of a "common European home" put forward by President Gorbachev, saying that such a home should give both sides a sense of safety.

"We both need to feel safe in that home," the prime minister said.

"Our vision is of a Europe which no longer lives in the shadow of overwhelming military forces, but has only such defenses as are sufficient to ensure the sovereignty of its countries," she said.

Thatcher also praised the reform in the Soviet Union and said it will have profound effect on the wider world.

Britain admires the Soviet leader who "has the vision, the boldness, and the bare power of personality to change the whole future of his country and to have a profound effect on the wider world as well," the prime minister said.

Britain follows the changes in the Soviet Union "eagerly" and wants the Soviet leader to succeed in his task, she said.

Trade Talks With Sweden Held in Beijing
OW0804131289 Beijing XINHUA in English
1047 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—Zheng Tuobin, Chinese minister of foreign economic relations and trade, held talks here today with Anita Gradin, Swedish minister for foreign trade.

Their talks covered trade, loan use and Swedish investment in China. The two ministers expressed satisfaction over the rapid development of bilateral trade, which registered a record high of 420 million U.S. dollars last year.

A Swedish Government trade delegation led by Gradin, and an accompanying entrepreneur delegation are expected to sign a number of cooperative projects agreements with Chinese partners.

Zheng Tuobin Fetes Swedish Minister
OW0804213189 Beijing XINHUA in English
1507 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Zheng Tuobin, Chinese minister of foreign economic relations and trade, gave a dinner here this evening for a Swedish Government trade delegation led by Anita Gradin, minister for foreign trade, and a group of Swedish entrepreneurs.

The Swedish delegation arrived here today. The delegation members will hold talks with their Chinese colleagues on expanding bilateral trade and economic and technological cooperation. During the visit, the two sides will sign a number of contracts of cooperative projects.

Tian Jiyun Meets Delegation
OW1004083689 Beijing XINHUA in English
0715 GMT 10 Apr 89

[Text] Beijing, April 10 (XINHUA)—Chinese Vice-Premier Tian Jiyun met a Swedish Government trade delegation led by Anita Gradin, minister for foreign trade, here this morning in the Great Hall of the People.

Both sides expressed hope for further expanding bilateral cooperation in economy and trade.

Swedish Software System Purchased
OW0804234389 Beijing XINHUA in English
1523 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—The Software Center of the Chinese Ministry of Posts and Telecommunications will import Sweden's Ericsson Axel0 software support system, according to a contract signed here tonight.

The new system will enable China to maintain independently the one million lines of Axel0 program-controlled exchanges now in operation in 14 Chinese cities. It will also help China to connect the new system with other systems.

Zhao Fengge, deputy general manager of the China National Postal and Telecommunications Appliances Corp., and Lars Edvardsson, general manager of the Ericsson Telecom AB, signed the contract.

France To Host Conference on Cambodia
OW0904141389 Beijing XINHUA in English
1101 GMT 8 Apr 89

[Text] Paris, April 7 (XINHUA)—France is ready to host an international conference to guarantee the re-establishment of peace in Kampuchea, the French Foreign Ministry declared today in a statement.

"France, which never stops providing its support to Prince Norodom Sihanouk's efforts and is always favorable to the dialogue between Sihanouk and Hun Sen, rejoiced at the coming meeting in Jakarta," it said in a statement.

The Foreign Ministry believes that the next meeting in the Indonesian capital will "open the way to holding the round table talks between all Kampuchean parties in Paris." After that, an international conference will be "indispensable to re-establish peace in Kampuchea."

The statement said that the French Government considers as "very positive" the Vietnamese Government's announced withdrawal of its troops from Kampuchea before the end of next September.

The Vietnamese decision "should accelerate the solution of the Kampuchea problem. Seeking an agreement between Kampucheans themselves becomes now more urgent", the statement said.

FRG's Scholz Questions Gorbachev's 'Propaganda'
OW0904071489 Beijing XINHUA in English
0245 GMT 9 Apr 89

[Text] Bonn, April 8 (XINHUA)—Soviet leader Mikhail Gorbachev's disarmament speech on Friday in Britain was "propaganda" intended to exert "political pressure"

on NATO countries, Federal Defense Minister Rupert Scholz says.

Scholz expressed skepticism on Radio Norddeutscher Rundfunk about Gorbachev's promise to stop production of enriched uranium, used to make nuclear weapons, by the end of the year. This, he said, bore no "significance" to disarmament because, according to Scholz, the Soviet Union already possesses an adequate stockpile of enriched uranium.

Therefore, Gorbachev's declaration should be welcomed only as an expression of disarmament desire, he said.

Gorbachev said Soviet Union had no plan to modernize its nuclear weapons. However, Scholz said, Soviet short-range nuclear missiles already have been modernized, and he said the Soviet leader was putting "political pressure" on North Atlantic Treaty Organization countries not to modernize theirs.

Spanish Trade Delegation Visit Slated
OW0804190489 Beijing XINHUA in English
1522 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Sino-Spanish trade links are expected to be broadened and strengthened with the visit to China in late April of Jordi Pujol, chairman of Spain's Catalonia Autonomous Region, the Spanish Ambassador to China announced here today.

At a press conference, Ambassador Eugenio Bregolat told Chinese and foreign reporters that Jordi Pujol will head a delegation of more than 60 entrepreneurs and famous artists. They will be in China from April 25 to 29.

During their visit the entrepreneurs are expected to explore the possibilities of cooperation in joint ventures, technological transfers, and import-exports.

The ambassador said Catalonia, in northeast Spain, is the biggest industrial and commercial region of Spain. Trading with China has been active over the past few years and Catalonia has set up nine joint ventures in China.

Altogether, the ambassador said, Catalonia accounts for 50 percent of Spain's total trade with China. Sino-Spanish trade totalled 750 million U.S. dollars at the end of 1988.

Greek Party Delegation Leaves for Beijing
OW0904043689 Beijing XINHUA in English
0240 GMT 9 Apr 89

[Text] Athens, April 8 (XINHUA)—A three-member Greek Communist Party (KKE) delegation left here today for a visit to China at the invitation of the Communist Party of China (CPC). KKE Secretary-General Harilaos Florakis described his trip to China as "very important," and said at Athens airport that he and his two fellow delegates will discuss with CPC leaders issues of party construction and the international situation.

Political & Social

Education Discussed at Political Bureau Session
OW0804114789 Beijing Domestic Service in Mandarin
1030 GMT 8 Apr 89

[XINHUA report]

[Text] The CPC Central Committee Political Bureau held its 17th plenary meeting in Beijing today. The meeting discussed a draft CPC Central Committee decision on certain questions concerning educational development and reform.

It took about a year to prepare and formulate the draft decision. The Central [Committee] Political Bureau discussed educational questions at its seventh and eighth meetings in April 1988 and decided that the State Council would form a special group to investigate and study major issues in educational development and reform and make relevant suggestions. The draft decision was formulated after full investigation and study and after seeking comprehensive opinions from various quarters. The Standing Committee of the Central Political Bureau and the State Council have been briefed repeatedly on the investigation, study, and drafting of the document. They have seriously studied many important views and suggestions on education put forward by National People's Congress deputies, Chinese People's Political Consultative Congress National Committee members, democratic parties, mass organizations, and personages of various circles. They have discussed education's important role in the modernization drive, as well as such issues as educational funds, teachers' remuneration, education in moral character, strategy for educational development, educational legislation, and educational reform. They have also put forward concrete measures for educational development and reform.

The plenary meeting decided to circulate the draft decision in wider areas both inside and outside the party so as to seek further opinions and to convene the 4th Plenary Session of the 13th CPC Central Committee at an appropriate time to deliberate on the draft decision.

Fifteen members and one alternate member of the CPC Central Committee Political Bureau were present at the meeting. Two members of the CPC Central Committee Political Bureau were absent from the meeting because of other official duties. Zhao Ziyang, CPC Central Committee general secretary, presided over the meeting. Responsible persons from some departments concerned attended the meeting as observers.

RENMIN RIBAO Views Lhasa Riots
HK0904082089 Beijing RENMIN RIBAO in Chinese
7 Apr 89 p 5

[Article by Tian Chengjin (3944 7022 6651): "Behind the Lhasa Riots"]

[Text] Concerning the recent riots in Lhasa, there is one question that one cannot help but ponder: Over the past few years, the central authorities' policy regarding Tibet

has become increasingly realistic. Tibet's economy has been developing steadily, the people's living conditions have been improving, and the freedom of religious belief has been fully protected. However, over the past year, riots have occurred. Through this unusual phenomenon, we can see two foreign forces [wai guo li liang 1120 0948 0500 6852] at work.

These two forces are first the Tibetan separatists in exile in foreign countries and, second, some foreign political forces and a few foreign organizations and individuals who support them under the pretext of upholding human rights.

These people, out of different motives, are unwilling or even afraid to see stability, unity, and sustained prosperity in Tibet. Thus, at a time when Tibet's work in various fields is improving, when Tibetans all over the region are enjoying a peaceful existence, when the governments of many countries are making further efforts to improve their relations with China, when the international situation is developing from tension and confrontation toward relaxation and dialogue, these people feel ill at ease that the situation is becoming increasingly unfavorable to them. Therefore, they have impatiently plotted riots in Tibet by various means in an attempt to achieve their unchaste purposes.

Let us take a look:

The Chinese Government's policy and principles regarding the Dalai Lama are well-defined: All patriots belong to one big family, whether they rally to the common cause early or late. Let bygones be bygones. Under the condition that nothing will be said or done to damage the unity of the motherland and nationality solidarity, China guarantees that he can freely come and go. The channels through which talks can be held between the Chinese Government and the Dalai Lama are always open. With the exception of the question of the "independence of Tibet," all questions can be discussed. However, the Tibetan separatists in exile abroad regard the central authorities' magnanimous policy as a sign of impotence. On the one hand, they step up their efforts to lobby for support and confuse people in some countries. On the other, taking advantage of the central authorities' policy of letting Tibetan compatriots residing abroad freely come and go, step up their efforts to instigate riots in Tibet, try to pull the wool over the people's eyes, put pressure on the central authorities, and try to win attention and support from some foreign forces, in order to turn the Tibetan question into an international issue.

In a few countries, there are some political forces which have the habit of supporting political forces that are not very popular among their own peoples, in an attempt to either overtly or covertly interfere in other countries' internal affairs and put political pressure on them. They encourage the Tibetan separatists to organize political activities that are detrimental to China's unity and the nationality solidarity in the country. They have adopted so-called resolutions expressing "concern over human

rights in Tibet." This reminds people of the fact that last year and in the year before last, someone used the platform provided by other countries to advance the so-called plan for "the independence of Tibet" and a "new proposal;" they are reminded that around the peaceful liberation of Tibet in 1951, some foreign forces perpetuated sabotage and disruptive activities there; they are also reminded that when the People's Liberation Army (PLA) was marching on southwest China, there were still people who harbored territorial ambitions over Tibet and fabricated absurd views to the effect that the Chinese central government only had "suzerainty" over Tibet. People still remember that in March of 1959, the upper-strata Tibetan separatists who started an armed rebellion did so under the direction and command of certain foreign forces. Over the past few years, these foreign forces, realizing that openly supporting "the independence of Tibet" is too flagrant, they have resorted to a "concern over the conditions of Tibetan human rights." Recently, they have been very active. For example, they have tried, by means of parliamentary resolutions, to distort the conditions in Tibet and to openly interfere in our domestic affairs. In addition, they have put pressure on their governments, demanding that they step in to interfere in China's internal affairs.

In addition, there are a few human rights organizations and advocates who have become targets of the lobbying efforts of the Tibetan separatists in exile abroad. They are either consciously or unconsciously in support of what the separatists do to split the motherland. Posing as tourists, they enter Tibet to organize activities that are detrimental to the stability and unity there. They try, through publications and mass media, to distort the true picture. During the international human rights conference, they spread the outmoded views that "there are serious human rights problems in Tibet" and that "Tibet and China have always been two separate matters."

Tibet has been Chinese territory since the 13th century. This is confirmed by countless Tibetan and Han cultural relics. However, they choose not to accept them and have fabricated a "history of Tibet" that is in keeping with their conspiracy to split China.

China's peaceful liberation of Tibet in 1951 is completely a Chinese internal affair. However, they groundlessly charged us with "aggression."

In 1959, with a view toward forever preserving the feudal serfdom, the upper-strata Tibetan reactionary clique, instigated by foreign forces, started an armed rebellion. However, they called that "the people's uprising."

Apart from the above distortions, they have repeatedly spread weird views that runs counter to common knowledge. For example, according to the country's first nationwide census in 1953, the population in Tibet at that time was 1 million or 1.27 million including the population of Chengdu Prefecture, which was put under the jurisdiction of Tibet in 1956. The present population

of Tibet is 2.07 million. However, they have fabricated the story that over 1 million people have been killed since the liberation of Tibet.

In Tibet, the Han population accounts for only 3.62 percent of the total population there (according to the 1986 census) and most of them have gone there to assist in economic construction. The total amount of funds the state provided for Tibet between 1952 and 1988 was 15.97 billion yuan. However, it has never asked Tibet for a single fen. However, people have invented a so-called "greater Tibet," saying that the place has been colonized by Han nationals.

They refuse to take a serious look at the agreement reached between the Central People's Government and the Tibetan Local Government on 23 May 1951, on the "Measures for the Peaceful Liberation of Tibet," and the cable sent by the Dalai Lama to Chairman Mao Zedong on 24 October 1951, to indicate the former's support for the agreement. In this cable, the Dalai Lama said: "The Tibet Local Government as well as the ecclesiastics and secular people unanimously support this agreement," which was "concluded on the basis of friendship," and "under the leadership of Chairman Mao and the Central People's Government, will actively support the PLA in Tibet to consolidate national defense, drive out imperialist influences from Tibet, and safeguard the unification of the territory and sovereignty of the motherland." Obviously, these important documents are very unfavorable to their campaign for the "independence of Tibet."

Before the introduction of democratic reforms, the masses of serfs and slaves in Tibet were subject to inhumane treatment and their personal safety was not ensured. However, those who claim to be "concerned about" human rights in Tibet are unwilling to divert their attention to the fact that there were virtually no human rights in Tibet in the past. What does this tell us?

During the "Cultural Revolution," many monasteries and temples in Tibet were seriously damaged and the feelings of the Tibetan people were hurt. This is true. However, the damage was done throughout the country and both the Chinese Government and the Chinese people were distressed by all of this. Over the past few years, the damaged monasteries and temples have been restored. The foreign political forces mentioned above have touched only very lightly on our vigorous efforts to rectify the mistakes or simply ignore them. Why?

These people refer to the criminal offenders involved in smashing, looting, and burning in Lhasa and those who shot dead and clobbered people and armed policemen as victims and regard the necessary measures adopted by our security men to protect the people's safety and property when they were driven beyond the limits of forbearance and the proper and legitimate measures adopted by the Chinese Government to uphold law and order as violations of human rights. What kind of logic is this? And on what international law is it based?

The separatists in exile abroad have sent people to cross the border to mastermind and start riots and smuggle in arms. This tells us even more clearly that the riots in Lhasa in early March were started by them.

Over the past few years, tens of thousands of foreigners have visited Tibet. Most of them think that there have been great developments in Tibet. So long as one remains unbiased, one can see that the central government and the Tibet regional government have done many practical things for the Tibetan people and will continue to do so.

Several months ago, a senior Western diplomat said that he had stayed in Tibet for 3 months and had visited many places. He saw that there was tranquility in Tibet, that the religious Tibetan people were living in peace, and without any interest in politics, they have no desire for independence. The advocates of separatism are just a few people from a few major monasteries. In the past, they enjoyed special privileges.

Tibet needs reforms, an opening policy, economic development, education, better living conditions, and the further implementation of the series of policies formulated by the central authorities. Of course, there are inadequacies in Tibet's work in various fields and mistakes are unavoidable. If people abroad are really concerned about the present and future of Tibet, they should, as do the Chinese people including the Tibetan people, hope for an environment in Tibet that is characterized by stability and unity and favorable to construction and development. If they advocate "the independence of Tibet" or, under the pretext of showing concern for human rights, encourage a few separatists to resort to violence and try to interfere in our internal affairs, they are running counter to historical trends and the consequences will definitely not make them look good.

November Police-Masses Clash in Hunan Reviewed
HK1004065789 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0420 GMT 8 Apr 89

["Bloodshed Resulted From Clash Between the Police and Masses Last November. Two Cadres Were Removed From Office and Their Cases Dealt With"—ZHONGGUO TONGXUN SHE headline]

[Text] Changsha 8 Apr (ZHONGGUO TONGXUN SHE)—Wang Zhongping, deputy mayor of Lengshuijiang City, Hunan, and Zhong Zhiming, deputy secretary of the city party committee, who were responsible for the serious bloodshed which resulted from the clash between the police and masses late last November, were recently removed from office by the Hunan Provincial Government.

Fuke Village in Lianyuan City, bordering Lengshuijiang City, abounds in anthracite. Last 28 November a Fuke Village truck carrying coal stopped at the checkpoint in Lengshuijiang City for inspection and the two sides quarrelled over the charges. The Lengshuijiang City

traffic police arrested a Fuke Village resident and the villagers smashed the traffic policemen's car and arrested three traffic policemen. Furious over the incident, Lengshuijiang City Deputy Mayor Wang Zhongping and his company of eighty public security policemen, guns in hand and accompanied by police dogs, rushed into Fuke Village under the pretext of "rescuing" the traffic policemen. The deputy secretary of Lengshuijiang City CPC Committee came out in support of this move, referring to it as a "just action." This amounted to adding fuel to the fire. The public security policemen, feeling secure in the knowledge that they had strong backing, opened fire on the residents of Fuke Village who were compelled to hit back with stones. This left 1 villager dead and 14 wounded. Two of the public security policemen were also wounded.

This bloodshed has aroused considerable attention in the departments concerned and the case is under examination.

Dissident Chen Jun Relates Departure Experience
HK0904030089 Hong Kong SUNDAY STANDARD
in English 9 Apr 89 pp 1, 2

[From Jack Spackman in San Francisco]

[Text] Dissident Chen Jun yesterday accused Hong Kong authorities of being afraid of offending China.

He slammed them for isolating him while in transit at Kai Tak airport on Friday, saying: "It is not much different from China—bureaucratic and inhumane."

He declined to say he had been expelled by the Chinese authorities as was claimed earlier. "I was left no choice about whether to leave or stay."

He said Chinese authorities had told him to stop his pro-democracy activities if he wanted his passport renewed on May 5.

Chen, 31, who had been actively seeking the release of political prisoners, described his treatment in China as inhumane.

But he also complained that he spent seven hours at Kai Tak and for most of that time was not allowed to contact anyone.

"The Hong Kong authorities wanted me to leave as soon as possible

"They were afraid I would talk to the press," he said.

"I arrived in Hong Kong before noon and it was not until 6 pm that I protested to immigration officers.

"I said it was inhumane to prevent me calling my wife. Just before my flight left they let me call her.

"I thanked them and told them not to be afraid about offending China.

"I expected there to be more freedom."

Chen said an immigration officer later asked him to withdraw his protest. "I refused."

He said Public Security Bureau officials who held him in Shanghai last week told him he should behave if he wanted his passport renewed.

"They told me it would depend on my attitude.

He said: "I will continue to criticise but I won't attack them irrationally.

A statement released by the XINHUA NEWS AGENCY said he had been allowed to leave because he had confessed to wrong-doings.

Chen said he had been accused of changing money illegally and/or breaching his parole conditions by travelling from Shanghai to Beijing while accused of money changing.

"Everybody changes money in China, even diplomats," he said.

"They wanted me to admit that I was running away," said Chen.

"They told me to cooperate or else."

Chen arrived at San Francisco airport from Hong Kong to a hero's welcome organised by two pro-Taiwanese groups.

His wife, Englishwoman Jennifer Holdaway, who is still in Beijing, said accusations by the Chinese authorities against him are "ridiculous".

She said his expulsion from China is a new form of banishment for Beijing's political opponents.

Ms Holdaway, a Chinese interpreter by profession, said the charges were punishable by imprisonment, but "they (the Chinese authorities) couldn't have taken him to court. They just don't have any evidence."

She called Mr Chen's expulsion "the cleanest way" and "the least costly" in the eyes of the authorities.

The dissident's wife said she intended to visit Hong Kong shortly, before returning to China to take care of personal affairs.

Chen had been a student in the United States from 1984 until last year when he returned to Shanghai. He opened a bar and became involved in the dissident movement.

He met and married an American while in the U.S. which qualified him for a residential visa.

He has since divorced and married Ms Holdaway, 26, from Oxford.

Chen said he was not worried about her because, "she is as tough as I am."

Chen said he first realised he was under surveillance when he returned to Shanghai from a visit to Beijing.

Three policemen stopped him as he got off the train with a warrant to search his luggage.

He was taken to an office and interrogated for three hours.

"They took my address book and all the name cards I had been given. They refused to return them before taking him to the airport and putting him on a plane to Hong Kong."

Chen said: "When I asked them if I could phone my wife they said no.

"I have been to Europe and America and I have never been treated the way I was in my own country."

Article Views Amnesty, Special Pardon
HK0704113789 Shanghai SHIJIE JINGGI DAOBAO
in Chinese 27 Mar 89 p 16

[Article by Li Shuguang (2621 2562 0342) and Qu Xinjiu (0575 2450 0036): "Reprieve: Historical Origin, Theoretical Development, and Its Reality"]

[Text] The Historical Origin and Development of Reprieve

Since power made its appearance in human society, there has been, as a derivative, the power to grant pardons, and since there were criminal penalties, there have been pardons for crimes. The creation and evolution of reprieve systems among countries have their similarities and differences as a result of their different political systems, historical traditions, economic developments, cultural traits, and social backgrounds.

The reprieve system in China can be traced to a distant source and is of long standing. The Confucian classic "Ancient Books: The Code of Emperor Shun," which recorded events of ancient times, had this to say: "Errors and transgressions would follow upon indulgence in pardons."

During the Sui and Tang Dynasties, pardons were exercised rather cautiously. During the Ming and Qing Dynasties, when the feudalistic and despotic powers were at their peak, the implementation of a pardon code

was severely restricted. Strict specifications on the conditions for a reprieve and the high-handed policies of the despotic government resulted in few instances of amnesty in the late period of feudal society.

In the Western world, crimes were classified by the pre-Medieval Roman law into public and private crimes. During the Middle Ages, when West Europe entered the period of feudal despotic society, arbitrary adjudication and sentencing of crimes became the fundamental character of the criminal law at that time. Feudal lords and kings possessed the power of criminal adjudication. Toward the end of the 18th century and the beginning of the 19th century, a reprieve system with its own characteristics had basically taken shape in the bourgeois states, in which amnesty and special pardon were included. In general the power of an amnesty was lodged with assemblies, whereas the power of a special pardon belonged to the head of state—the monarch in a monarchy and the president in a republic.

The Basis of Reprieve and the Controversies Around It

I. Amnesty and Special Pardon

Reprieve is a system in which the state absolves criminals of their crimes and penalties. It can be divided into amnesty and special pardon. Amnesty is a general absolution by the state of a certain kind of criminals or common criminals, thereby eliminating the legal consequence of their crimes. A special pardon is a state act which waives part of the enforcement of sentences on specific criminals under the verdict of guilt. Both amnesty and special pardon are issued as decrees, named usually as an amnesty decree and a special pardon decree, from either the head of the state or the organ which has supreme power. The specific regulations vary from country to country. The difference between the two consists roughly the following five points:

1. An amnesty carries general application. It absolves all criminals who fall within the designated category, which may cover several certain types of criminals in a certain period. A special pardon carries only selected power and can only absolve specific criminals.
2. Not only can an amnesty waive the enforcement of a sentence, it can also stop criminal proceedings; while a special pardon can only absolve a person from serving his sentence after he is found guilty by a court.
3. Both the crime and sentence of a convicted criminal can be reprieved by an amnesty, and his criminal act will be rendered void and not constitute a convicted record. Those who commit crimes after the reprieve will not be considered repeat offenders. A special pardon can only absolve the convicted from serving his sentence, but not absolve him of his crime.
4. In general the names of the reprieved convicts will not be announced in an amnesty. In addition, the range of the convicted to which an amnesty applies is wider. A special pardon often is aimed at specific persons, whose names are often made public.

5. In Western countries, the power to decide on an amnesty generally is vested with the assemblies or parliaments. Amnesties are normally issued when a country is going to have an important celebration and, therefore, the chance of receiving an amnesty is relatively small. The power of granting a special pardon normally belongs to the head of state or, in the case of a federal country, the head of the state government. It can be granted at any time, and it is issued more often.

II. The Bases of the Reprieve System

The issuance of reprieves is based mainly on the following points:

1. In the case of celebrations or a display of mercy. In modern countries, the more often seen situation is when there is a celebration for a certain significant achievement, or memorial anniversary for a certain event, especially when an important festival is held, a general pardon will be promulgated. For instance, the Soviet Union announced a general pardon commemorating the victory over the fascist Germany of Hitler.
2. As a policy of mollification. This was prominently seen in ancient nonregular pardons in our country. The promulgation of regular pardons is to demonstrate the mercy of the emperor, whereas nonregular pardons are aimed mainly to stabilize the shaky social order following natural disasters or social turmoil.
3. Out of evaluation of criminal policy. The aim of modern day penalties is to educate, reform, and finally enable criminals to renew their lives and reintegrate into society. If reprieves tend to be frequent, the convict may harbor a psychology of luck, and this will not work favorably toward the goal of reeducation. But when the convict has served his sentence for a certain period and has been reeducated, or when the political and economic patterns have undergone drastic changes, rendering his previously socially endangering act less harmful or even neutralizing it, then it will not serve the original penal purpose to keep the convict under sentence. So modern countries grant reprieves, or special pardons in particular, more often from a reconsideration of the criminal policy than anything else. Or in some cases, the convict is reprieved or gets his sentence commuted after he has served part of his sentence and been reeducated, or the reeducation has made considerable progress. Or there may have been drastic political changes and an amnesty or a special pardon is granted to certain criminals.

The show of mercy and mollification policy constitute the major bases for amnesties. Reappraisal of the criminal policy can be the basis for an amnesty, too, but mainly it forms the basis for special pardons. It has the following aspects:

1. As a remedy for abnormally severe penal sentences as measured against the crime committed. Abnormally severe measurement of penalties contradicts the principle of the penalty being commensurate with the crime committed and infringes on civil rights. It has to be righted. There are two ways to right it: Either the judiciary department commutes the sentence afterward

and so renders the ruling just and fair, or a special pardon is granted to the criminal, writing off part or all of the sentence not yet served.

2. Humane consideration. This mainly refers to the granting of a special pardon to a prisoner in consideration of his worsening health.

3. As a reward to a prisoner's heroic acts or shows of self-sacrifice, such as saving a person's life or safeguarding some important social interests.

4. For some other special reasons. For instance, in 1953 Italy released 23,000 prisoners out of a total 50,000 for reasons of "crowded prison conditions."

III. Reprieve Is a State Power

Reprieve is a state power, not a civil one. It is an exercise of power by the state according to its own needs, and it demonstrates the mercy of the state. It is up to the state to determine whether there will be a reprieve and, if there is, what kind of crime or criminals are to be reprieved. The fact that reprieve is a state power is shown first of all in the regulations laid down in the constitutions of various countries around the world, in which a reprieve system for one's own country is spelled out. The power of a reprieve is written, in all cases, in the section of state powers, and not in the civil rights section or other sections. Secondly, "the exercise of a reprieve is attached with conditions, and not unconditionally." Specifically, in our country as early as the Han Dynasty, there was a clause which withheld reprieves from crimes which were extremely malicious in nature. Whether it is an amnesty or a special pardon, instances in which the implementation of reprieves is attached with conditions that exclude certain crimes are many.

IV. Controversies on Reprieves

In ancient China, some philosophers and statesmen were critical of the reprieve system. Guan Zhong, a philosopher and statesman in the ancient early Spring and Autumn Period, said: "To reprieve criminals is like relaxing the bridle of a runaway horse; while not reprieving criminals is like whetting and crushing boils and ulcers on a stone." The Eastern Han Dynasty philosopher Wang Fu suggested that "the means of catching and eliminating bandits lie in making the laws explicit, not in repeated reprieves." And the Emperor of Grand Ancestor, Li Shimin of the Tang Dynasty, often remarked: "In the past when Emperor Wan administered justice, penalties abounded and reprieves were absent; for small-minded leniency will only harm the cause of justice. That is why I have seldom granted reprieves since I ruled the country. So now peace reigns in the four corners of the world, and rites and righteousness are both effective. If there were repeated reprieves, fools would reckon it likely to be graced by luck and, intent on breaking the law, would not be able to repent. It is apt to be cautious with granting reprieves." In the traditional despotic and totalitarian society, the determination and the frequency of granting reprieves depends primarily on whether the rule of the patriarchal-emperor is better served by such a measure.

In the Western world, the 18th century French enlightenment philosopher Montesquieu considered the power to grant pardons to be the most elementary and useful power for the king but, in his opinion, in a republic its head should not possess such a power. Some of the jurists after Montesquieu kept opposing possession of the reprieve power by the head of a republic. They insisted on the theory of "separation of powers," advocating that the power of pardoning should not exist in a democratic republic. But the majority of jurists regarded the power of reprieves as part of the powers of the head of a state. Some considered that it was well-nigh impossible for judiciary departments to be absolutely correct in making verdicts and not mistakenly find the defendant guilty, given the fact that there was no perfect judicial system in the world. And one of the functions of the pardoning power is to rectify this pitfall, even though there is only one out of a thousand cases. Some were of the opinion that a reprieve system is necessary because the criminal code is just too rigid. Moreover, in drafting a criminal code it is not possible to foresee every possible cause and detailed condition, and so when the court makes a wrong judgment, the means of remedy will be available.

Typical Reprieve Cases in Our Country and Abroad

The U.S. President's power to grant pardons is enormous. He does not need the consent of Congress, and the pardon can be exercised even after the sentence is passed. Usually it includes the powers of absolving the convicted from fines and confiscation, and of suspending and commuting sentences. It applies even to cases of impeachment and treason. On 8 September 1974, Ford announced the reprieve of Nixon from all the "crimes committed, possibly committed, or in which he may have participated that did a disservice to the United States."

The more common reprieve-granting pattern among countries of the world today is one in which pardons are granted to celebrate important national festivals, such as the amnesty promulgated on 21 July 1984 by Poland, celebrating the 40th anniversary of communist rule. In that amnesty, all 652 political prisoners, which included members of Solidarity, and 35,000 criminal prisoners received amnesty.

Our 1954 Constitution included provisions for amnesty and special pardons, although not once was the former been practiced. The present Constitution lays down only provisions for special pardons. Since 1959, special pardons have been granted on seven occasions.

When proposing a special pardon for the first time to the Standing Committee of the National People's Congress, the "proposal," made by the CPC Central Committee and signed by Chairman Mao Zedong, included the following statement: "In celebrating the 10th anniversary of the founding of the great PRC, it is suitable to announce a special pardon for a group of war criminals, counterrevolutionaries, and common criminals who have truly corrected themselves. The adoption of this

policy will help turn negative factors into positive ones. There are great educational functions for these criminals as well as the continued reform of those serving their sentences. This will make them understand that under the great socialist system, as long as they can correct themselves, they will all have their own future." Except for this one, which included counterrevolutionaries and common criminals, the remaining six special pardons were all promulgated for war criminals.

Yan Mingfu Discusses Multiparty Cooperation
OW0904230489 Beijing Domestic Service in Mandarin
1030 GMT 7 Apr 89

[Text] This afternoon, Yan Mingfu, member of the Secretariat of the CPC Central Committee and head of the United Front Work Department of the CPC Central Committee, delivered a report to responsible persons of organs under the CPC Central Committee, state organs, the PLA General Political Department, and the Beijing Municipal CPC Committee at the departmental and bureau levels. He pointed out: Adhering to, perfecting, and developing the multiparty cooperation system under the leadership of the CPC is one of the major tasks of political structural reform this year. In his report on the multiparty cooperation system under the leadership of the CPC, Yan Mingfu reviewed the process of cooperation between the CPC and democratic parties and the important role that democratic parties have played in the course of different historical stages.

He said: Adhering to, perfecting, and developing the multiparty cooperation system under the leadership of the CPC is mainly manifested in these four areas: In the NPC, in the CPPCC, at all levels of government organs, and through the consultation and supervision among the Communist Party and democratic parties. Yan Mingfu hoped that leading cadres at all levels of government would raise their understanding of the multiparty cooperation system under the leadership of the Communist Party and strive to do well in this work.

Public Participation in Politics Viewed
OW0904225689 Beijing GUANGMING RIBAO
in Chinese 27 Mar 89 p 3

[Article by Bao Xinjian (0545 1800 7003): "Exploration of Obstacles to Public Participation in Political Affairs"]

[Text] There are both historical factors (for example, restriction by the cultural quality and the democratic awareness of the nation and the influence of feudal autocracy) and practical factors that hamper the expansion of public participation in political affairs, but a key problem lies in practical factors. This problem still needs to be studied and explored.

First, since political reform has stagnated, our present political system lacks sufficient capability to deal with changes in the upsurge of economic, political, and cultural openness. It also lacks a self-regulatory mechanism. This constitutes the overall factor hampering the normal development of public participation in state affairs. Following the constant expansion of cultural exchanges, and as the country opens itself more to the outside world, the people's desire to participate in state affairs has increased. They invariably hope that the pace of political reform will be quickened so that they can enjoy more genuine democratic rights. On the other hand, political reform in our country has stagnated and can no longer keep up with the changing political ideas in the open period. This can easily lead to the following two situations: First, when we try to deal with the situation, we may try to hastily satisfy the desire of some members of the society to participate in state affairs. This may lead to policy changes and policy errors. Second, we may deal with new trends of thought by sticking to the old system and outdated methods in an effort to create unanimous public opinion. Both these things are unfavorable to the normal expansion of public participation in state affairs.

Second, a portion of political power cannot satisfy the desire of the people. As a result, there are various forms of political participation, but the results are negligible. This the crucial factor affecting political participation by the public. For example, although general elections are the best system among modern democracies for enhancing citizens' enthusiasm for political participation, general elections can still have two results: First, state functionaries are elected by public voting, so the citizens enjoy the genuine rights to restrict, supervise, and remove these functionaries. This result truly embodies the essence and characteristics of socialist democracy. Second, "public voting" is manipulated by the power and will of a handful of people. Consequently, the results of voting are largely false and run counter to popular desire. Thus, general elections are but a form of election serving as a tool of certain power. This will certainly affect the citizens' enthusiasm for political participation.

Third, the complex influence on social consciousness created by the development of a pluralistic commodity economy in the primary stage has caused some members of the society to become indifferent to politics. This is also a factor affecting public political participation which must not be overlooked. In a general sense, the modern desire for political participation is the product of a socialized commodity economy. However, the influence on political development created by a commodity economy may not be all positive. As our commodity economy at the present stage has not yet developed to the stage of modernization and socialization needed by socialism, it will inevitably produce a negative influence on political development, especially on the concept of value of the members of the society. For example, a commodity economy can cause some people to work only for money. Furthermore, although a commodity economy negates the feudal concept of equal rank and

absolute egalitarianism and encourages citizens to seek equal opportunity through competition, the effort may turn into a quest for personal interests only.

Fourth, because of the influence of historical tradition and the restrictions imposed by the actual cultural level, people's concept of political values is very uneven at the present stage. The contradictions and conflicts which may result from this can also hamper public political participation.

Speaking of the form of political participation, if no effective forms of political participation are adopted, the public's enthusiasm for political participation and the effectiveness of such participation will be affected. We are of the opinion that to encourage the public at all levels to participate in politics at the present stage, we should adopt various forms of political participation, namely: 1) the form of political participation through the People's Congresses; 2) the form of political participation through the people's organizations; 3) the form of political participation by means of public opinion; 4) the form of political participation through consultative organizations and brain trusts; and 5) the form of political participation through self-government by the masses.

Beijing Seminar Defends Reform Line

HK1004071189 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1609 GMT 3 Apr 89

["Beijing Holds Seminar on Reform Theory and Practice"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 3 Apr (ZHONGGUO TONGXUN SHE)—While the reforms on the mainland face new difficulties and stern challenges a certain number of research fellows on reform theory and policy held a "4-day Seminar on Theory and Practice of the 10-Year Reform" starting 2 April at the Jingfeng Guesthouse in Beijing. The participants answered the ever growing tendency to openly censure and negate the reforms with a vigorous counterblow.

Among over 400 representatives from different parts of the mainland most are young people engaged in reform policy research for the central and local authorities and some of them are members of brains trusts presenting views to senior central policy makers. Chen Yizi [7115 0001 6171], seminar sponsor and director of the China Institute of Studies of Economic Structural Reform, pointed out: "The tasks of the seminar are to make a cool-headed analysis of all challenges lying ahead of us by rethinking the advantages and disadvantages of the 10-year reform and the achievements made during the period, and to discover countermeasures to extricate ourselves from the difficult position in an effort to size up the situation of development with assurance for the future."

Informed sources have revealed that the seminar is backed by senior CPC officials. A representative told this reporter quietly that the seminar would exchange

achievements made by middle-aged and young research fellows on reform theory and would also refute by reasoning the remarks which deny the successes scored during the 10 years of reform and which blame the current economic difficulties and some corrupt phenomena in society on reform. The representative also said: Some people intend to take the road back. We must therefore cry out for pushing the reforms ahead and developing democracy.

What this representative said has been proven by the executive president of the seminar, Gao Shangquan, who is also vice minister of the State Commission for Restructuring Economic System and president of the Society of Economics for Beijing Youth. Speaking at the opening ceremony the reform theorist explicitly pointed out: "There is now a tendency in society which merits our attention. That is to say, some people describe the achievements made during the 10 years of reform as being platitudinous; on the other hand, they recklessly exaggerate the difficulties our country is facing and even blindly blame some negative phenomena in society all on reform. As a result, some comrades who are bold in reform have been unfairly treated and censured." Gao Shangquan also pointed out: For this reason, with compelling arguments and confidence and in a realistic way, we must publicize the achievements made during the 10 years of reform so that large numbers of cadres will strengthen their confidence in reform and push it ahead." Speaking at the seminar opening ceremony Liu Yandong, president of the All-China Youth Federation and secretary of the CYL [Communist Youth League] Central Committee, called on all the participants to develop the spirit of science and democracy advocated by the May 4th Movement of 1919 and its glorious tradition of seeking truth, to strengthen their confidence and to cheer themselves up to make new contributions to the reforms.

Some sources here believe that the uncompromising attitude taken by the seminar toward the tendency to censure and negate the reforms demonstrates the firm resolve made by senior CPC officials to adhere to and defend the reform and opening up line.

Official Cited on Preservation of Mao's Remains

OW0804194089 Beijing XINHUA in English
1118 GMT 8 Apr 89

[Text] Beijing, April 8 (XINHUA)—The late Chairman Mao Zedong's remains, on display to the public at his memorial hall in the heart of Beijing, are in good condition, thanks to timely and skillful measures taken when he died on September 9, 1976, "CHINA DAILY" reported today.

According to the English-language newspaper, Xu Jing, chief of the memorial hall's Administration Bureau since 1982, said that right after his death, Mao's special

medical team immediately took action to lower the room temperature, and then some experts including Xu began basic treatment for long-term preservation.

Meanwhile, Xu said that a special research group was formed by leaders of the Chinese Academy of Sciences, Chinese Academy of Medical Sciences and major hospitals and medical colleges in Beijing with the minister of public health taking charge.

Xu, a member of the group and also its office director, said Mao's body has not been shrinking as some people have claimed.

"We conduct regular checks of its length and weight and our statistics show no such signs," said Xu.

She added that some visitors feel the remains are smaller than before because of an optical illusion.

A standing man always seems bigger than when he lies down, Xu said. In addition, the height and spaciousness of the memorial hall and the distance of the viewer from the body can distort perceptions.

The newspaper said that Xu also denied the rumour that the government spends hundreds of millions of yuan each year to maintain the body.

Xu explained that the government did set aside a special fund for medical study and purchasing equipment, but it was a very limited sum and the study was completed in 1983.

Now, she said that the memorial hall is maintained by fees earned from visitor services, such as checking bags and taking photos, and sales of souvenirs.

In addition to employing modern medical methods to preserve human remains, Xu said that the experts who prepared Mao's body drew on the experience of the Western Han Dynasty (206 BC to AD 24).

Xu explained that, after human remains of the Western Han Dynasty were unearthed in the early 1970's, Premier Zhou Enlai suggested a team of scientists study the preservation methods.

Publication of Mao Zedong's Early Works Slated
OW0804224689 Beijing XINHUA in English
0934 GMT 8 Apr 89

[Text] Changsha, April 8 (XINHUA)—Two volumes of the late Chairman Mao Zedong's early works will be published by the Hunan People's Publishing House, according to today's "PEOPLE'S DAILY."

The newspaper said that the two volumes will have 283 articles written by Mao on a variety of subjects from June 1912 to July 1927. Only two of them have been published before.

The collection has been compiled by the Party Literature Research Center of the Central Committee of the Communist Party of China and the Hunan Provincial Commission for the Collection of Mao Zedong's Early Works.

The newspaper said that the purpose of the publication is to let more readers both at home and abroad have a better understanding of the modern history of China's politics and ideology, in addition to a better understanding of Mao Zedong's life and thought.

Reporters on Significance of NPC, CPPCC
OW0704111189 Beijing Domestic Service in Mandarin
2300 GMT 4 Apr 89

["Special Program on Second Session of the Seventh NPC and Second Session of the Seventh CPPCC National Committee"]

[Text] This year's NPC [National People's Congress] and CPPCC [Chinese People's Political Consultative Conference] sessions have both come to a successful conclusion. During the sessions, NPC deputies and CPPCC National Committee members seriously examined Premier Li Peng's report on the work of the government with discussions focusing on improving the economic environment, rectifying the economic order. In addition, they also made criticisms and suggestions on the work of the government. During the sessions, this station's reporters have made timely and extensive reports on the two sessions and what the NPC deputies and CPPCC National Committee members did in fulfilling their duties to participate in and discuss government and political affairs. In this special program on the two sessions today, we will broadcast a recording of a forum at which our reporters covering the two sessions reported the impressions and information they obtained during their coverage of the two sessions. The forum was chaired by Li Xiamin, editor of the reporting group on the two sessions.

[Begin recording] [Li Xiamin] This year's NPC and CPPCC sessions have successfully concluded. We invite you to this forum here today to report together to our listeners what impressions and information you have gained during the coverage of the two sessions. What do you think?

[Unidentified speakers] Fine, fine.

[Li Xiamin] We'll then ask Comrade Chen Zhan to speak first.

[Chen Zhan] I took part in the coverage of the two sessions both last year and this year. The most salient impression I got this year is that both NPC deputies and CPPCC National Committee members went a step further than last year in participating in and discussing government and political affairs. When they examined the government work report and the draft laws, they all made criticisms and expressed opinions in addition to

affirming the achievements made by the government. Their remarks were not restricted to criticism and opinions. More often than not, they offered ideas and suggestions to help the government improve the economic environment, rectify the economic order, and strengthen the reform. Besides making suggestions during panel discussions, the NPC deputies also spent the recess hours in the evening writing proposals on what should be done in view of the difficulties and problems facing China today. Many NPC deputies and CPPCC National Committee members stayed up late into the night writing their proposals. It was very moving. Take the delegation from Zhejiang, for instance. During the NPC session it submitted 36 motions and over 80 suggestions. They cover many topics, including improving the economic environment and rectifying the economic order in the circulation sector, basic education, family planning, and so on. Since the NPC deputies and CPPCC National Committee members all come from the grass-roots level in various fields across the country, their motions and suggestions were all very concrete and down-to-earth. I asked one of the NPC deputies what motivated them to plunge into the two sessions so enthusiastically and earnestly? His answer was that an NPC deputy is a deputy of the people, and he naturally should express the people's wish and see to it that our country is being run well and its construction carried out successfully.

[Li Xiamin] Fine. Next, we'll ask Comrade Huang Weicheng to speak.

[Huang Weicheng] I will pick up where Chen Zhan left off. This time the NPC deputies were better equipped to discuss government and political affairs. In my view, one of the major reasons was because many of them did a great deal of investigation and study work before the sessions started. Take Professor Ma Longxiang of the Liaoning delegation, for instance. He took 14 cassettes with him when he came to attend the session. Recorded on these cassettes were opinions offered by different teachers. Before attending the NPC session, Professor Ma, despite his advanced age of 77 and the fact that he has a little trouble walking, visited a dozen or so higher institutions of learning where he held discussions with scores of teachers, whose remarks during the discussions were all recorded on the cassettes, which he sorted out during the NPC session. He was eager to speak up almost every time the delegation was holding panel discussions. While offering his own suggestions, he also expressed the teachers' views on such issues as improving conditions for running schools, raising pay for teachers, and education work during the new period. According to him, he would not be able to face his colleagues at home if he failed to make the wishes of the grass-roots level teachers known at the session. On the basis of my own observation, many deputies are like Professor Ma. They all came to the session with a resolve to hold themselves accountable to the people.

[Li Xiamin] This deputy's experiences are very touching and typical. Next, let's hear from minority reporters.

Comrade Nasenbaoyin, a minority reporter from Inner Mongolia, has already raised his hand several times. So please welcome Comrade Nasenbaoyin.

[Nasenbaoyin] All right, I will say a few words. I covered the NPC session 2 years ago, too. What struck me as most obvious during my reporting on the NPC this time was that the level of participation in political affairs of the deputies from the minority areas in the frontier region and the western provinces has risen notably. They showed a strong sense of concern. They rarely confined themselves to discussing local problems. Instead they raised a few significant issues which integrated the meeting agenda and reports with the special conditions in the multinationality areas. In other words, their sense of duty as NPC deputies have been enhanced. They were very conscientious in preparing for the proposals and suggestions they were to make. Some of them even worked on their own time, not neglecting any details to ensure that they performed their duties well. Some expressed worries that some departments under the State Council would intentionally delay their replies to deputies' proposals or respond to the proposals in a perfunctory manner. If so, the deputies simply wasted their breath in raising those problems. How can they explain to the people back home, they said, if they were to discuss the same problems next year or the year after that? This is all that I want to say.

[Li Xiamin] Next, we will ask Comrade Lei Jianpin, who covered the CPPCC National Committee session, to say something.

[Lei Jianpin] I was assigned mainly to report on the CPPCC session this year. Compared with my experiences in covering the NPC sessions in the last 2 years, I agree with what you all have said; that the CPPCC National Committee members' and democratic party personages' involvement in political affairs has been enhanced in depth and breadth. My reporting focused mainly on the CPPCC members from the literary and the scientific-technological circles. For example, on the first day of the CPPCC National Committee session, the China Federation of Literary and Art Circles invited some of its members to a forum to talk about their hopes for the two sessions. Those present included (Luo Yusheng), Yuan Shihai, Hua Junwu, Zhang Ruifang, (Wu Zuqiang), Wu Zuguang, and (Huang Liaozi). They were all well-known actors, authors, or artists. They held unanimously that people across the country are paying close attention to the two sessions because they opened at a time when our nation's 10-year reform and open policy was running into its first major difficulties. Under the circumstances, we should not just complain at the session. We should talk more about what people feel and make more proposals to make these two sessions inspiring, unifying, and encouraging. Actually the CPPCC session did turn out that way. I attended several group meetings as a visitor and found that the atmosphere was very warm with everyone eager to speak.

This year's CPPCC session was shortened to 8 days. In order to enable every member to have the opportunity to voice his opinion, some groups decided to limit each member's speech to 15 minutes. When time was up, the alarm clock would ring.

[Li Xiamin] The speech should not be longer than 15 minutes, right?

[Lei Jianping] Yes. However, when the alarm rang, some members were touching on critical points with excitement. In this case, no one would bother to interrupt them. Generally, they spoke frankly.

[Li Xiamin] I heard that Comrade (Li Menglan) delivered a very interesting speech.

[Lei Jianping] Yes, when discussing Comrade Li Peng's report, (Li Menglan) spoke first. She said: Recently I have been seriously thinking out an issue. Upon this, Zhang Ruifang said: Right, you are always serious about everything! She said: I feel that China, as a big populous country with a poor foundation to start with, has attained, in 10 years of reform, many achievements we can be proud of. The Chinese people now live better, and their living conditions have improved. However, why do so many people remain unsatisfied and complain much under such a circumstance? Thinking for a while, she said: I think one of the reasons is that some of our reform measures don't correspond with China's national conditions. Take the art and literary circles, for example. They want to host art festivals. As a result, everybody rushes headlong into hosting an art festival. Just imagine how much money will be spent! Does this accord with China's national conditions?

[Li Xiamin] Next, let's ask Comrade (Shen Jianhua) to say something.

[(Shen Jianhua)] Some deputies have expressed their views on this NPC session. I visited a dozen deputies from Hubei. They are of the opinion that they didn't have enough time to discuss the government report, and that there were simply too many items to discuss. They said that they didn't have the chance to fully express their opinions. Take (Gong Weixiang), a peasant deputy from Hubei, for example. He visited me several times, telling me that he had many proposals he didn't have an opportunity to present. He expressed hope that his proposals could be reported by the media. Therefore, NPC deputies from Hubei unanimously suggested that it was better to focus on one special subject after another when discussing the government report in the future, because this would enable them to fully express their opinions on all issues. They said that the current discussion at which everyone expresses his opinion in an unsystematic manner would not produce good results. Some deputies also told me that we should pay attention to the phenomenon that the NPC sometimes only discusses an issue without passing a resolution on it, or vice versa. They said that some issues were submitted for

discussion every year, although they had presented quite a few suggestions on them. This has affected their enthusiasm for participating in and discussing government and political affairs.

[Unidentified speaker] Mr (Shen), what issues were discussed by deputies at their meetings?

[(Shen Jianhua)] Issues heatedly discussed by deputies from Hubei dealt with clean government, spiritual civilization, agriculture, and education.

[Unidentified speaker] Some deputies I visited also discussed public order and commodity prices.

[Li Xiamin] Next, Let's ask Comrade (Wang Yuanqing) to say something. He is responsible for editing recorded programs for this station.

[(Wang Yuanqing)] Several comrades and I were responsible for recording during these two sessions. We made a total of six live broadcasts in the period between the opening and closing of these two sessions. We also recorded and edited highlights of the two sessions, including news, and produced 12 programs out of them. When producing these programs, we felt that the NPC session was the best rostrum for people of various nationalities and from all walks of life to speak their mind. For example, when producing and editing news about the opening of the NPC, we noticed that Premier Li Peng, when delivering his government work report, was interrupted many times by warm applause. This reflects the wish of the Chinese people as a whole. In addition, when producing and editing such programs as the direct relay of press conferences for Chinese and foreign reporters and highlights of discussions of some local NPC deputies, we noticed that deputies had conscientiously discussed some hot issues like commodity prices and education by boldly speaking their mind. They presented many good suggestions and criticisms. Take deputies from Jiangsu, for example. When holding a dialogue with some ministers, they presented sharp criticisms regarding efforts to establish clean government. As for the specific details, Mr (Shen) might tell you later. We also edited another program concerning the discussion of the NPC Standing Committee work report by deputies from Beijing. We noticed that NPC Chairman Wan Li joined the deputies in their discussion. In spite of Wan Li's presence, many deputies criticized the committee for its mistakes in exercising its supervisory role. After listening to them, Chairman Wan Li accepted their criticisms. People listening to the program can feel the atmosphere in the discussion. I think that a report broadcast this way may make listeners smell democracy.

[Li Xiamin] Comrade (Shen Huiyu), would you like to add something?

[(Shen Huiyu)] All right, let me add something to Comrade (Wang Yuanqing's) speech. Generally speaking, during this NPC session, leaders from various ministries and commissions of the State Council visited deputies to hear opinions and answer questions. The dialogue not only made the session more democratic, but also strengthened the discussion of government and political affairs. During the dialogue, these leaders briefed deputies on their respective units, analyzed various issues, and shouldered the responsibility for mistakes. They also heard the opinions and criticisms of deputies from various localities. Deputies could also understand the overall situation by raising various questions. This exchange has helped deputies participate in and discuss government and political affairs as well as has helped the government improve its work. Take deputies from Jiangsu, for example. They questioned the Ministry of Energy about unhealthy trends in the field of circulation. Leaders of the Ministry of Energy not only briefed them on energy-related work and problems of the past year, but also answered their questions. This has helped increase understanding. When covering news among deputies from Jiangsu and Jiangxi, I also heard some deputies express discontent with the dialogue. Their opinions are: First, leaders of various ministries and commissions talked more than they did, rendering them unable to raise more questions and turning the dialogue into a one-way exchange. Therefore, they asked leaders of various ministries and commissions to listen to more opinions and answer more questions. Second, leaders of some ministries and commissions failed to seriously answer deputies' questions. Some avoided the important and dwelled on the trivial, while some completely avoided answering questions by talking about other issues. Some simply said that they had just returned home from other places, so they could not answer the question. Deputies have complained about this.

[Unidentified speaker] Deputies from Hubei have also mentioned this.

[Second unidentified speaker] So have deputies from Guizhou.

[Li Xiamin] All right, next, let's ask Comrade (Li Chaofen) to say something.

[(Li Chaofen)] Maybe I will sing a different tune. In fact, my views are almost the same as those expressed by my fellow colleagues. They have mentioned that democracy was brought into full play during the NPC session. I agree with them on this. However, I would like to add something. There were phenomena that don't correspond with democracy. For example, when covering discussions of deputies from some provinces, I noticed that deputies' seats were arranged according to ranks, with deputies from grass-roots units sitting around the principal leading cadre. There were even such phenomena that a grass-roots deputy was interrupted during speech so that a principal leading cadre could speak and pose for a video camera, or that some grass-roots deputies were asked to change seats so that several leading

cadres could sit together and be on TV. I think people's deputies should be treated equally when attending the NPC session, for they are all people's deputies and represent the people to participate in and discuss government and political affairs. There is no need to care about their ranks. I don't know what your opinion is on this.

[Unidentified speaker] I think this is a very correct view. Don't you think so?

[Several unidentified speakers] Yes, it is! We agree!

[Li Xiamin] I think that we may pass this opinion to comrades of relevant departments. Our forum now closes, for our time is up. [end recording]

Xi Dehua Cited on NPC, CPPCC Proposals
OW0904152389 Beijing XINHUA Domestic Service
in Chinese 1331 GMT 7 Apr 89

["Local Broadcast News Service"]

[Text] Beijing, 7 Apr (XINHUA)—The general offices of the NPC [National People's Congress] Standing Committee, the State Council, and the CPPCC [Chinese People's Political Consultative Conference] National Committee held a joint meeting in Beijing this morning, calling on all departments concerned to handle proposals presented by NPC deputies and motions submitted by the members of the CPPCC National Committee with a high sense of responsibility.

It is reported that the Second Session of the Seventh NPC received a total of 3,778 proposals from the NPC deputies, while the Second Session of the Seventh National CPPCC Committee received a total of 1,918 motions submitted by CPPCC members. All these proposals and motions were distributed at today's meeting to the responsible persons of various relevant units and general offices.

Xi Dehua, deputy general secretary of the State Council, delivered a speech. He said: To handle proposals from NPC deputies and motions from CPPCC members is an important aspect in accepting the supervision of the masses and improving the work of the government. He urged all relevant departments and units to earnestly handle these proposals and motions, take the initiative to coordinate with each other, maintain close ties with those who have made the proposals and submitted the motions, and carry out investigation and research in this connection. All departments and units are required to answer the NPC deputies and CPPCC members before 31 August on how the latter's proposals and motions have been handled. Such answers must conform with state laws and regulations, the relevant policies and provisions of the party Central Committee and the State Council, and the actual conditions in the country. Answers must be supplied item by item. There should be no empty talk, jargon, or irrelevant answers.

Xi Dehua said: When conditions permit, problems that arise in various suggestions and motions must be earnestly solved. If it is really difficult to solve such problems at the present moment, explanations must be clearly made to the deputies or members. Those that can be solved with some efforts should not be regarded as unsolvable. Nor should anyone make empty promises in dealing with unsolvable problems.

Banker Named Anticorruption Adviser
OW0704194989 Beijing XINHUA in English
1044 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—Wang Yongsheng, a banking official who has regularly written to top Chinese authorities criticizing the corruption and incompetence of local government, has been appointed anti-corruption adviser to the Luoyang municipal authorities, the "WORKERS' DAILY" reported today.

Wang, 57, director of the Economic Information Research Office of the Luoyang sub-branch of the Industrial and Commercial Bank of China, has written one or two critical letters a year to the Central Committee of the Communist Party of China since 1984.

His letters have lashed out at various unhealthy social trends. For example, in a letter written to the party Central Committee last August, he accused local officials of making excessive use of official privileges, wasting money on the construction of luxurious hotels and ignoring the financial needs of education and agriculture.

"The reason why I wrote this letter is that I hate the unhealthy trends, rather than being motivated by my own unsatisfied demands," he wrote.

Wang Yongsheng's letters have been closely studied by the Chinese leaders, who praised him for "voicing the wishes of the people and representing the hopes of the people."

In March, Wang and four others were invited by the central authorities to attend a meeting, at which he again voiced strong criticism of five major problems: Corruption, the uncertain social order, agriculture, education and inflation.

The "WORKERS' DAILY" reported that Wang, a hard-working banker, was prudent and reticent in the past. But, the paper said, "the country's reform and opening policies have widened his horizon."

"Correcting the work style of the party and improving the general social mood are important to the future of the party and the state. All upright Communist Party members should come out boldly to fight against unhealthy trends, rather than adopting an attitude of being worldly-wise and playing safe. What I have done is only my duty," Wang said.

In response, the Luoyang municipal committee of the Communist Party promptly appointed the crusading banker as its anti-corruption adviser.

GUANGMING RIBAO on Education Problems
OW0904191589 Beijing GUANGMING RIBAO
in Chinese 12 Mar 89 p 1

[Article by Li Chunlin: "Should Intellectuals Be Blamed?"]

[Text] No one would have ever expected that the fever for diplomas that raged through the country after the toppling of the "Gang of Four" would be soon overtaken and suppressed by the new belief that "schooling is useless." Such a sudden turnabout caused a great deal of disturbance psychologically. This reminds me of the fever for commerce, poker, and dance ablaze on campus in recent years and of the growing talks and criticism of students. Some concerned individuals have even begun to worry about the disappearance of people pursuing knowledge.

The new belief that "schooling is useless" indeed exists and has a great negative impact on students. In these days, as the country is moving toward modernization, it is proper that people are showing concern about the new belief that "schooling is useless." It is not fair, however, to place too much blame on students. In the past when college students in Beijing cried aloud that large as it was, north China could not accommodate a desk, they meant that as the country was in great distress, students could hardly keep their mind on their education. Today's campus is no airtight zone, either; whatever is happening in society will definitely affect the campus. If a river is used to represent society's value concept and a buoy represents the students' value concept; the buoy bobs up and down in tune with the fluctuation of the river. That students believe schooling is useless because knowledge is depreciated in real life. Students, therefore, should not be blamed, as they themselves are victims of the belief that "schooling is useless."

Throughout the history of mankind, intellectuals have never had any say as to whether schooling is useful, or whether knowledge has any worth. This is what makes it so sad to be an intellectual. The lamenting over this sadness is the constant subject appearing in poems and prose of Chinese intellectuals. There is a popular ancient Chinese saying that goes "Learn one's skills of pen and weaponry, and then sell it to the royal family." The word "sell" highlights the very essence of the saying and draws a similarity to today's concept that sees science and technology as a commodity, although nowadays people dedicate their knowledge to society, instead of selling it to the emperor. As a seller, if the royal family says no, your skills of pen or weaponry are worthless. If your skills are wanted today, then you are valuable; if they are turned down tomorrow, then you cannot feed yourself. Intellectuals, therefore, often ridicule themselves this way: Those who are skillful with pen can write

thousands of words as they lean against their horses, yet when they are not wanted, their writing paper cannot even cover up their soybean sauce bowls; those who are skillful with weaponry can shoot poplar trees from a hundred steps away, yet when they are not wanted, their arrows cannot even cook a pot of rice. Yes, it makes no difference if you are wiser than Kong Ming or braver than Guan Yu, as long as no one wants you, your skills of pen or weaponry are useless. Who, as an intellectual, would not like to sing with spirit all day long that "knowledge will pay you off with fortune as well as a pretty wife?" It is self-debasing and sad enough [for intellectuals] to admit that schooling is useless and lament that "intellectuals are completely useless;" and it would be like boxing their ears and stripping the clothes off their backs should society further blame them.

Obviously the theory of futility of studying books will not bow out of the historical stage if knowledge is not respected in society, if talented personnel are not appointed to important posts, if the priority of mental and physical ability is reversed, and if the material benefits for intellectuals are too low. This issue has been thoroughly explained in theory and by the mass media. The speakers have worn themselves out pleading, but the listeners remain unmoved. The crucial thing now is to put into practice the arguments that have been substantiated by theories, as well as the appeals made by the mass media. A specific measure of the departments concerned is much more effective than publishing 100 articles in the newspaper. Some people assert that the trend of studying books will not be discontinued because so many middle schools are still vying for a higher rate of college admission for their students, and millions of parents were sending their children to colleges at their own expenses last year. These are facts indeed. However, we should clearly understand two points: 1) If the problems mentioned above are not solved, can anyone guarantee that the concept of value of these children will not change quickly? 2) China's need for qualified personnel today is not just the question of continuing the trend of studying books. It involves the question of improving the cultural quality of the whole nation. Therefore, at least at present, we should not be optimistic about the impact of the theory of futility of studying books.

By saying we should not put too much blame on the students, I do not mean to free the students from their responsibility or to identify myself with the theory of futility of studying books, which is upheld by some students and intellectuals. On the contrary, I hope that intellectuals will use their unique qualities to resist the "theory schooling is useless" while society is trying to solve the problem of reversing the priority of mental and physical ability. What are the unique qualities of intellectuals? First is their far-sightedness. They are not the ones who only know there is a nose under their eyelids. Nothing is more harmful to China, now in a state of development, than the "theory that education is useless." Second is their independent spirit. Some people in society call other people "stupid as a Phd, and silly as

a professor" when they shout abuse. Under this situation, it is harmless for intellectuals to assume the attitude of "you may laugh and jeer as you wish, but I will keep reading my good books." Third is their love of books. If you do not study books, you will sound boring and look disgusting. However, I am enjoying myself, sitting among hundreds of thousands of books and feeling as rich as the 100 cities in the south. Staying aloof from material pursuits can help mentally offset the state of poverty, and thinking of oneself as a "noble of knowledge" can help resist temporary material difficulties. These wishes may sound feeble and invalid. Some people may even call them "methods of achieving spiritual triumph." I do not think so.

Student Unions Petition CPPCC on Morals
HK1004101289 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1420 GMT 5 Apr 89

["Postgraduate Student Unions of 12 Beijing Institutions of Higher Learning Jointly Petition CPPCC on Declining Moral Climate"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 5 Apr (ZHONGGUO TONGXUN SHE)—The postgraduate student unions of 12 Beijing institutions of higher learning recently jointly submit a petition [shang shu 0006 2579] to the Chinese People's Political Consultative Conference [CPPCC] to give it a picture of the declining moral climate in Mainland China, asking the authorities to strengthen moral education, reforming the legal system, and strictly cracking down on criminals.

The petition, jointly submitted to the CPPCC by the postgraduate student unions of 12 Beijing institutions of higher learning, including Beijing University, People's University of China, and Beijing Teachers' University, said: According to a report in the latest issue of WENZHAI ZHOUKAN [2429 2298 0719 0436 DIGEST WEEKLY], a weekly published by ANHUI RIBAO, a crowd of 800 gathered to watch a person kill himself by jumping off a building. The crowd impatiently told the person to take the leap quickly, shouting: "Come on! Jump!" "One, two, three!" In Harbin several years ago, a young reporter named An Ke [1344 3784] boldly stepped forward when some criminals were committing a violent crime with a huge crowd watching. However, no one came to his aid. He fought alone and was killed. We deeply feel that our people have become extremely apathetic.

The postgraduates remorsefully pointed out: Actually, what is truly worrying is not the existence of one or two criminals, but that fact that the people are generally apathetic. Justice-upholding people are not extensively supported among the people and still less are they supported by on-looking crowds. Sooner or later, these people will be forced to keep their anger to themselves and become apathetic like others. These shocked postgraduates warned that the quality of the mainland population is

gradually declining. They advised the authorities to combine the crackdown on crime with measures for purifying the people's souls: On the one hand, they should spend 3 to 5 years trying to make thorough improvements, so that there will be enough time for the authority of law to become established. On the other hand, as for those people who have the courage to uphold justice on seeing bad people and bad things, it is necessary to generously reward them both spiritually and materially, so that they will be supported and understood, rather than looked down upon and laughed at, by others, and people's distorted minds will return to normal.

Many Textbooks 'Separated From Reality'
OW0804064489 Beijing XINHUA in English
1106 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—While studying in colleges, many students also take night school courses at their own expenses in a bid to widen their knowledge and get a better job after graduation, the CHINA YOUTH NEWS reported today.

According to the Shanghai Institute for Professional Administrators, when it put up a notice offering night school training courses in marketing, public relations, English, international markets and foreign trade, the number of applicants topped the quota list by 50 percent within three days.

A science student said, "I am a graduating student and the knowledge I am learning in school is not popular in society. If I learn some practical techniques, it may help me get a job easily and adapt myself quickly to the work."

A girl student in electronics said, "When I met and talked with representatives of the Jinling wire plant who came to recruit graduates, they showed no interest in my subject, but only in the courses in marketing and public relations I am taking in my spare time. They decided to hire me not because of the subjects I have studied in college, but those I took in night school."

CHINA YOUTH NEWS adds that today many students complain that most of the subjects they study in university are not relevant to the real needs of society.

The paper noted that the evident disinterest shown by many Chinese college students in actually learning anything isn't caused by a lack of desire to study—it's just that they don't like the books they have to read because they are separated from reality.

The paper called on universities and colleges to improve their courses and train more people to live in the real world.

Sale of Nude Art Albums Remains Controversial
OW0904053389 Beijing XINHUA in English
0259 GMT 9 Apr 89

[Text] Beijing, April 9 (XINHUA)—Even before the controversy caused by China's first exhibition of oil paintings featuring the nude has died down, albums of nude art photos have become hot sellers in the nation's capital.

At many bookstands throughout the ancient city nude art photo albums are said to be among the best-sellers.

At a book stall located in front of the China Art Gallery, the country's leading art museum, a bespectacled young man paid 42 yuan, equivalent to almost half an engineer's monthly salary, for an album entitled, "World Nude Art Photos."

He rebuked a crowd of curious onlookers with: "What are you leering at? This is art."

However, an older man shook his head when he saw what was on sale at a stall in Kuanjie Street, saying, "They look like pornographic books to me. Do any of the buyers really know anything about art?" He added, "I wouldn't want my children to see them."

Professor Yang Xianrang of the Central Academy of Fine Arts said the beauty of the human body itself is natural and pure. "It is an inalienable part of fine art."

Some publishing houses try to make money by taking advantage of people's curiosity about sex, he said. This is not good and people should take a "purely artistic attitude to the appreciation of nude art," he said.

As China's feudal period lasted for several thousand years, many feudal concepts are still cramping the thinking of the people. For example, nude art was long regarded as an "offense against decency" and it is common for nude models to be shunned as outcasts.

When Liu Haisu and Xu Beihong, two of China's most famous modern painters, introduced nude art over 50 years ago they came under heavy criticism.

But nowadays, more and more ordinary people are accepting and enjoying nude art. The first exhibition of oil paintings featuring nudes, which was held from December 22, 1988 to January 8, 1989, attracted more than 10,000 visitors every day during the 18 days it was open.

As this is still a controversial field, Vice-Minister of Culture Ying Ruocheng said at the opening ceremony of the oil paintings exhibition that he believed the audience could make their own judgments on the significance and value of the paintings, which were provided by a group of younger teachers from the Central Academy of Fine Arts.

Since the exhibition, some 20 publishing houses, including the Anhui Science and Technology, Shandong People's, Shanghai People's Fine Arts and Zhejiang People's Fine Arts Publishing Houses, have put out nude art photo albums, which are being sold in Beijing for 13 yuan to 42 yuan each.

Interestingly enough, some girls have complained that the albums carry few male photos. "I like the undraped male human form because it is an embodiment of strength," a high-school girl said.

Lanzhou Nude Art Exhibition Termed 'Sensation'
OW1004083389 Beijing XINHUA in English
0712 GMT 10 Apr 89

["Nude Art 'A Sensation' in Lanzhou"—XINHUA headline]

[Text] Lanzhou, April 10 (XINHUA)—A popular nude art exhibition from April 1 to May 10 sponsored by the Lanzhou Workers' Club has been going on with success.

Eighty-four paintings by 20 artists are shown. The exhibition, the first in northwest China's Gansu Province, has created a virtual sensation in Lanzhou. About 1,000 people a day visit the show.

As one delighted viewer told a XINHUA reporter, "The nude art exhibition has purified our soul."

Zhou Dazheng, an associate professor, said that "In the past, nude art could only be seen in the studios of art institutes, but now it is appreciated by the Chinese public. This shows that more Chinese are free from feudal ties."

"The most beautiful thing in the world is the nude body," a viewer wrote in the visitors' book.

Most of the viewers are senior citizens and middle-aged intellectuals, cadres, college students, workers, farmers, and middle school students. Many of those who attended said they would like to see the club hold more nude art exhibitions and publish photos of nude paintings. Some girls said they would like to become nude models after visiting the exhibition.

Zhang Xuegan, an associate professor at the northwest teachers college, called the exhibition "a good start," and said he expected that more nude paintings will be exhibited in the future.

Other viewers voiced the opinion that the acceptance of nude art by such a wide spectrum of the public shows that the ideological level of people in northwest China has considerably improved.

Science & Technology

China's Space Technology Program Viewed
OW0904213189 Beijing in Mandarin to Taiwan
0415 GMT 28 Mar 89

["Report on China's Space Technology in the Current Stage of Application;" from the "Motherland Today" program]

[Text] Dear listeners, for decades our country's space technology has been able to claim a place in the ranks of the world's highly advanced. Now our country has completed the experimental stage in space development and has entered a period of applying space technology on a large scale.

According to a latest statistical report, our country has launched 25 satellites of various types since April 1976, when China launched its first. Of these satellites, 11 were retrievable. All of these were retrieved at the planned time and location, with a success rate of 100 percent. Experts have pointed out that China's technology in launching and retrieving satellites and survey and control systems have all reached advanced world levels.

At present, China is capable of producing and launching 8 to 10 satellites each year. The satellites launched by our country include recoverable satellites sent into near-Earth orbits, communications and broadcasting satellites sent into geosynchronous orbits, and meteorological satellites. These satellites have provided extensive and useful services for various economic departments and scientific research units in the fields of remote sensing, communications, broadcasting, meteorological work, navigation, and data collection.

Dear listeners, research into and application of the unknown resources of space and surveying natural resources for the development and construction of the national economy are always the main goals of our space technology. It has been learned that in the near future our country will launch more practical satellites to provide direct services for the development of the national economy, including multipurpose satellites for surveying natural resources and navigation and large communications and broadcasting satellites. In addition, our country will develop an advanced platform with a high capacity for retrieving satellites.

Dear listeners, as various types of satellites were developed and launched, our country's development of rocket technology attracted world-wide attention. Our country's development of rocket technology started in the mid-fifties. After more than 30 years of hard work our country developed various carrier rockets, the "Long March" series. We have formed a complete system for research, design, trial production, experimentation, and production of carrier rockets. The Long March series of carrier rockets are capable of sending satellites of various weights into near-earth, solarsynchronous, and geosynchronous orbits.

Nineteen of the 25 satellites launched by our country were lofted by Long March series carrier rockets. Regarding Long March series, in the near future two more types will be developed, to add to the Long March I, II, and III. They are a reinforced model of the Long March II carrier rocket and an improved model of the Long March III carrier rocket. The former is capable of sending satellites weighing 8 metric tons into near-earth orbit, and the latter is capable of sending satellites weighing 2.5 metric tons into geosynchronous orbits, some 36,000 kilometers above the earth. The third stage of the Long March III's rocket propulsion uses liquid hydrogen and liquid oxygen as the fuel. The power of propulsion is 50 percent greater than conventional rockets. This is the latest world standard in rocket technology.

Our country has also made new achievements in launching centers. At the end of last year China completed a new space exploration rocket launch site on Hainan Island. This is one of the few rocket launch sites near the equator of the world.

Dear listeners, our country is formulating a new plan for space development as it constantly improves its space technology. An authoritative person has revealed that our country will study, design, and manufacture spacecraft; establish permanent space stations; and build advanced system for travelling between the earth and space. Those goals are now on the daily agendas of various scientific research departments. Related experts are convinced that, given our country's existing technological level, equipment, and design capability, we can fulfill the above mentioned goals.

Because of the development of our country's space technology, more and more foreign customers want our country to provide satellite launching services for them. According to an official from the China Great Wall Industrial Corporation, which is in charge of satellite launching services, in the past 3 years, the corporation has established business relations with more than 40 firms from more than 20 countries. In 1988 our country provided satellite launching services for two companies, from France and the FRG. In January this year our country signed an agreement with the Asia Satellite Company, Limited, on launching a communications satellite for that company in April 1990. Our country had earlier signed an agreement with a Swedish company on launching a satellite for that company. In 1991 our country will also launch a satellite for Australia.

Spaceflight Ground Equipment Company Founded
HK0804024189 Beijing ZHONGGUO XINWEN SHE
in Chinese 0830 GMT 3 Apr 89

["China Spaceflight Ground Equipment Company Is Set Up in Beijing"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE)—A large-scale high-technology military industrial enterprise, the China Astronautical Ground Equipment Company, was recently established in Beijing. The company

will provide various transport, construction, fueling, and launching equipment for launching rocket carriers and artificial satellites.

This company is subordinate to the Ministry of Aeronautics and Astronautics Industry, and shoulders the tasks of developing and producing astronautics products and ground equipment.

As military industry is now encouraged to conduct civilian production, this company will also produce light trucks, automobile engines and spare parts, and other civilian products, and will refit various vehicles. The company now has a production capacity of assembling 20,000 motor vehicles a year.

The officials of the China Astronautical Ground Equipment Company today said that the company will develop more technological-intensive products suited to the launching groups and airports in China, and will build itself into an export-oriented enterprise group specializing in mechanical and electrical products.

Scientists Develop Isotope Technology
OW0804120289 Beijing XINHUA in English
1659 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—During the past 3 decades, Chinese scientists have developed more than 800 kinds of isotope, which have been applied in many fields.

More than 2,000 enterprises in China are engaged in the research, production, and application of isotopes and radioactive technology. They have built 4 isotopic reactors, 4 accelerators, and 50 kinds of applied nuclear apparatuses.

Isotope scanning is used to check leaky reservoirs in many provinces.

Radioactive technology has been used in chemistry, disinfection, and food preservation.

Using radioactive technology, Chinese technicians have developed 244 new crop species, which have made it possible for China to harvest an additional 7 million tons of grain each year.

More than 1,000 hospitals are using isotopes to diagnose and treat difficult diseases. Isotopes have proved effective in diagnosing cancer in its early stages.

Science, Technology Development Plans Outlined
OW0904154889 Beijing XINHUA Domestic Service
in Chinese 1249 GMT 7 Apr 89

[By reporter Tang Hong (0781 5725); "Local Broadcast News Service"]

[Text] Beijing, 7 April (XINHUA)—The State Planning Commission revealed that during the "Eighth 5-Year" Plan, the state would continue to develop major critical research projects in science and technology. The state will change its practices in the "Sixth 5-Year" Plan and the "Seventh 5-Year" Plan of only developing state-level projects, and adopt the mode to combine state-level, trade level and regional level projects in tackling crucial scientific and technological problems in the country.

Zhang Shou, vice minister of the State Planning Commission, said: During the "Eighth 5-Year Plan," the state would continue to adhere to the guiding principle of making science and technology serve economic construction. The State Planning Commission would still regard scientific and technological projects as something important in implementing medium- and long-term plans for national economic and social development. It will strive to dovetail the plans for the development of science and technology with major construction and technical innovation projects and with the import of technology and the use of funds abroad. It will do a still better job in tackling the issue of making science and technology serve economic construction.

The State Planning Commission plans to work out plans to tackle critical issues at different levels to solve technical problems at each level. The state plan for tackling critical issues is the focus for the national plan for tackling scientific and technological issues. It is aimed at solving overall major transregional and transtrade technical issues. We must concentrate all our efforts and limit the number of such projects. In tackling critical issues, the various trades must give prominence to their special features, and select and try to make breakthroughs in solving major scientific and technological problems for further developing the trades. In tackling critical issues, the various localities should concentrate their efforts to solve some scientific and technical problems that will greatly help invigorate the local economy.

Economic & Agricultural

Economic Development Strategy Viewed
OW0604192389 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 9, 27 Feb 89 pp 5-7

[Summary of article by LIAOWANG reporter Yang Jisheng (2799 4949 4939): "'East-West Dialogue' in China—The Strategy of Unbalanced Economic Development on the Mainland in Perspective"]

[Text] China's eastern region is a developed region, its western region an underdeveloped region, while its central region lies somewhere between the two. How to

promote coordinated economic development in the eastern and western regions has become an important question in formulating macroeconomic strategy.

The 10 years of reform and opening to the outside world have resulted in new changes in the relationship between the eastern and western regions of China. The two most important changes are: 1) The components of production in the eastern and western regions, which used to be under the overall management of the central authorities by their exercise of their administrative power, are now being exchanged directly on equal footing between the eastern and western regions based on commodity economy principles; 2) the strategy of balanced development has switched to one of unbalanced development. A new situation and new contradictions have emerged as a result of these two strategic shifts.

Merits and Demerits of the "Veteran Chess Player"

Probably no one will object to describing the economic order in China's eastern, western, and central regions as a "national chess game." But who is going to play and win this chess game? The 10 years of reform have quietly switched the "chess players" in this chess game.

In the past, the central government was the "chess player." For more than 30 years, using its administrative power, the central government acquired cheap raw materials from the western region and had them processed by the eastern region. Then it used the financial revenues made in the eastern region for the western region in the form of development investment and financial subsidies. The central government was the "middleman" of the components of production.

This highly centralized overall arrangement by the central government played an important role in accumulating funds and developing the western region. From 1953 to 1985, the state invested a total of 372.672 billion yuan in the western region, and built nine railways, such as the Chengdu-Kunming line, and thousands of large- and medium-sized enterprises. It developed in remote mountainous areas 35 newly industrialized cities, such as Liupanshui and Panzhihua, and 40 bases for production, scientific research, and experimentation of major products. Today, the western region is equipped with a fairly good industrial foundation.

But this product economic order established by administrative power also created many troubles for the eastern and western regions.

First, the method of "cramming" investment in the western region adopted by the central government through administrative means has not helped the western region develop the mechanism of economic self-growth. The "inlaid-type" industries developed by investing large amounts of funds and moving whole plants en masse to the west by administrative means lack the flesh-and-blood relationship with the local economy.

The two even become mutually exclusive. The advanced factories are not supported by an economic environment which matches their level. They are isolated from the big market environment, so they cannot fully develop their production capacity and achieve the best economic results. Besides, when it invested in the western region, the state gave more consideration to war preparedness, and less on economic results. It was more concerned about establishing bases for raw and semifinished materials than on the development of the economy in the western region. As a result, industries in the west suffer from structural inferiority. For instance, most enterprises are state-owned (in 1986, output value of state-owned enterprises in Gansu accounted for 85.07 percent, compared with 37.7 percent in Jiangsu); heavy industry makes up the majority (heavy industry in the west accounts for 55.22 percent, while in the east it accounts for 46.25 percent); big enterprises are a majority (in 1986, in terms of output value, 68.97 percent of the enterprises in Gansu were large- and medium-sized enterprises, as compared with 31.95 percent in Jiangsu); and enterprises serve more as projects in support of the eastern region than as projects serving the localities where they are in (80 percent of the products are shipped to the eastern region as raw materials). This production structure resulted in the lack of economic vitality in the western region.

Second, heavy financial burdens and low-priced raw and semifinished materials are posing obstacles to the upgrade of conventional industries in China's eastern region. On the one hand, cheap raw materials from the western region are used to enable the eastern region obtain double profits, namely, the profits obtained from the transfer of raw and semifinished materials plus the profits earned from processing. As a result, China's eastern region concentrates its main efforts on spreading conventional processing industries to other regions and shows lack of interest in and enthusiasm for upgrading its own industries. On the other hand, heavy financial burdens allow little leeway for the eastern region's conventional industries. Consequently, China's eastern region has made little progress in upgrading its industries.

From an objective point of view, this kind of production structure constitutes an infinite exploitation of China's western region's resources. The conditions in both the eastern and western regions become each other's cause and effect. The scale of the processing industries in the eastern region grows bigger and bigger, while the pressure on the raw materials industries in the western region becomes heavier and heavier. At present, a number of mines in the western region face the problem of inadequate resources under this pressure. Some mines belonging to the Gansu Baiyin [Silver] Company, a famous copper production base in China, have been exhausted prematurely. The company has abandoned two gigantic pits. Recoverable reserves of tin in Gejiu City, a famous tin production center, have also shown a drastic drop.

New Problems Encountered by the "Veteran Chess Player"

Awareness of regional interests which were numbed and remained dormant in the past has been awakened by the 10 years of reform. Every region has begun to earnestly calculate its own economic returns. None of them is a "chessman" manipulated at will by the administrative departments of the central government any longer.

—The western region shows an increasing resistance to demands for allocation and transfer of its low-priced raw materials. Reform has taught China's western region provinces how to earnestly make calculations. They prepare bills showing the losses sustained from expansion as a result of allocations and transfers of raw materials at government prices. Gansu Province suffered a loss of 3.3 billion yuan annually from allocations and transfers of nonferrous metals; Yunnan Province suffered a loss of 3.755 billion yuan yearly from allocations and transfers of seven kinds of raw and semifinished materials, including nonferrous metals, phosphate products, and rubber. Holding these bills in their hands, the people of China's western region criticize the unreasonable administrative interventions everywhere and loudly appeal for fair trade.

Furthermore, they take actions to resist allocations and transfers of resources in the western region at government prices by administrative authority, or rack their brains in scheming to bargain with the central government in an attempt to reduce the quantity of raw and semifinished materials which are to be allocated and transferred at government prices. Therefore, tough negotiations are needed to carry out plans for allocation and transfer of raw and semifinished materials every year. As an alternative, raw and semifinished materials are processed on the spot by every possible means to avoid loss of double profits. In spite of their efforts, the central planning departments cannot check the declining trend in the quantity of raw and semifinished materials allocated for transfer from China's western region. The percentage of allocation and transfer of flue-cured tobacco from Yunnan Province dropped from 58.91 to 35.37 percent during a period of 5 years from 1982 to 1987. Because sheep's wool in the western region cannot meet the demand of the local wool spinning industry, the size of the decline in the allocated quantity for transfer to other regions is even bigger.

—It becomes more and more difficult to achieve stabilized growth of the eastern region's financial revenue. Although 80 percent of the raw materials in the western region are allocated and transferred at government prices, they can meet only 30 percent of the requirement of the eastern region because processing capabilities have far outstripped raw and semifinished material production capabilities nationwide. The eastern region has to purchase the other 70 percent of raw materials at market prices. The processing industries

in China's eastern region, which are slow in technical development, cannot absorb the increased prices of raw and semifinished materials. As a result, their profits drop by a big margin and their financial revenue keeps dwindling. The percentage of financial revenue of Shanghai Municipality in the national financial revenue dropped from 16.12 percent in 1981 to 7.56 percent in 1988. Jiangsu Province's finance cannot even meet normal expenditures; they must resort to deficit budgeting for 1988 local finance and, therefore, ask for lowering the percentage of taxes to be turned over to the higher authorities.

The combined effect produced by the two above mentioned trends is as follows. Provinces in the eastern region receive less financial revenue. As a result, financial input in the western region by the central government is reduced. The less investment the western region gets, the less raw materials can be allocated and transferred from it at government prices. The less raw materials the eastern region gets at government prices, the less taxes it can turn over to the higher authorities as financial revenue. In the end, the western region gets even less funds. The conditions in China's eastern and western regions become each other's cause and effect, thereby creating a vicious circle.

—The conflict between China's eastern and western regions gets worse. The conflict of interests between these two regions was created by the old systems. The policy of reform and opening up has made the conflict become more clear and conspicuous. A rather typical saying circulating in the western region goes: "The western region sells low-priced energy and raw materials to the eastern region, buys back high-priced products, and, thus, becomes a colony of the eastern region." The eastern region takes a diametrically opposite view of the matter: "The western region has always relied on financial subsidies and thus turned itself into a drag in the eastern region's development." The conflict of interests between the eastern and western regions has deteriorated into an economic block between regions and a fight for all kinds of interests.

The big triangle composed by the central government, the eastern region, and the western region, which have managed to maintain a balanced stability for years, is gradually turning into three big chunks which clash and cause friction between each other amidst the stormy waves of reform.

"New Chess Player"—"An Invisible Hand"

Some heartening new situations have emerged in the relationship between the eastern and the western regions as they engage in clashes and friction, namely, direct contacts between them are getting closer and deeper day-by-day. Now, not all of the funds of the eastern

region are being transferred through the central government; instead, they are transferred directly to the western region. A considerably large portion of the western region's raw materials flows directly to the eastern region without going through state planning channels. Shanghai Municipality has by various means invested over 500 million yuan in China's western region, such as by entering into compensation trade contracts and setting up joint venture enterprises with the western region. Seventy percent of the raw materials needed by Shanghai Municipality are delivered directly to thousands of enterprises through channels not covered in state plans. The funds obtained by the western region through lateral economic ties are on the rise day-by-day. Funds secured by Yunnan Province from the eastern region in 1987 account for 10 percent of the production investment in fixed assets.

At present, some new trends have appeared in direct economic ties between China's eastern and western regions. First, contacts between the local governments are developing into direct contacts between enterprises of the two regions. Second, contacts between enterprises of the eastern and western regions get closer and enjoy rapid development. More and more enterprises of the two regions invest in each other and acquire each others shares. Enterprises located in remote inland regions have made business trips all the way from mountain areas in the western region to coastal areas to engage in joint efforts with enterprises in the eastern region to explore more than 1,000 outlets for their products to the world market.

Third, legal guarantees are gradually provided to cover contacts between enterprises of the eastern and western regions. To protect the interests of enterprises of both sides, some provinces and municipalities have begun signing agreements on the protection of the legitimate rights and interests of enterprises; and copies of these documents have been officially exchanged between governments of the two sides to become documents that are legally binding to them. Shanghai Municipality has signed such agreements with nine provinces.

Self-interest has brought about rational integration of the essential components of production between the eastern and western regions. The delicacy and ingenuity evidenced by such integration is beyond the achievement of any administrative power. This is the "invisible hand" praised by Adam Smith, that is, the law governing the operation of commodity economy—the law of value which governs this kind of integration. Although the government is no longer an "athlete" in the arena of competition, it is still an indispensable "referee." It formulates and enforces the regulations governing competition. The scope of the role of government will be greatly reduced, compared to that at present. Furthermore, the government will also have to abide by the law of value in its behavior.

New Strategy: Unbalanced Development

The formulation of the strategic economic development of China's coastal area strongly shook the economic

relationship between China's eastern and western regions, just as the waves, swashing against the rocks, send up a fountain of spray. Very few people in the western region opposed this policy decision made by the party Central Committee. However, the majority of people in all walks of life in the western region opposed the theory of gradient development from the coastal areas to the central part and then to the western region. Scholars in the western region correspondingly advanced the leap-frog theory, stressing that backward areas may develop by leaping ahead. Speaking from their various angles of interest, they actually disputed which region should become well off first. Therefore, if we all take the stand of our own regional interests, no consensus can be reached. Some scholars, detaching themselves from regional interests, put forward a relatively objective viewpoint in a profound and sensible manner.

Two different choices in China's strategic regional development presented themselves: The first choice was strategic regional balanced development, or strategic leap-frogging development in backward regions. The justification was that because economic development in the eastern and western regions was not balanced, emphasis should be put on the western region to guarantee that the western region would be able to develop faster than the eastern region so that the western region could catch up with the eastern region. The second choice was strategic unbalanced development, which would not maintain the economic balance between regions, but would use in accordance with economic law the limited essential components of production in a region which were of decisive importance to the development of the national economy and would be able to produce the largest economic results. Thus, the region may develop more rapidly and thereby cause the country's development. Obviously, this region is the eastern region.

Over the past 30 years, China has basically adopted strategic balanced development. This strategy played some part in developing the western region. Generally speaking, however, the results have not been good. On the one hand, returns on investments in the western region were smaller than those in the eastern region; for example, profits earned and taxes paid for every 10,000 yuan in fixed assets in the eastern region were 2.17 times those earned and paid in the western region (1986 statistics). Therefore, investments in the western region not only failed to effectively pull along the entire country, but also failed to help the western region shake off poverty. On the other hand, the

restraint on development in some developed parts of the eastern region restricted the adoption of new technology and development of new industries in the eastern region. As a result, the eastern region lost the opportunity to accept the challenge of the world's new technological revolution. This widened the gap not only between China and developed countries, but also between China and some countries and regions in Asia. Take Shanghai for instance. In 1952, Shanghai's per capita income was \$277, higher than that of Hong Kong, Singapore, Taiwan, and South Korea. In 1985, the per capita income of the above mentioned four regions were respectively 4.8 times, 5.5 times, 2.4 times, and 1.6 times that of Shanghai.

Obviously, it is very difficult for a powerful army with thousands upon thousands of horses and soldiers to march and cross the poverty line all together. It is necessary to let those regions that are superior to bring their superiority into full play. It is necessary to change the line abreast formation in our march into a column formation of competing to advance. The purpose of strategic development of the coastal areas is to bring the superiority in that area into full play and turn that area into a "locomotive" of China's economy.

Viewed from another angle, if the coastal areas obtain their raw and processed materials from abroad and sell their products on the international market, we may keep our raw materials and markets for the western region, giving it an opportunity to develop processing industries.

The unbalanced development strategy does not call for placing the emphasis of construction on China's eastern region forever. The general trend of short supply in energy and raw materials is not expected to ease in the future. When preparations are completed for the development of the western region, when the strategy for economic development in the coastal areas has yielded results, and when the state and the enterprises in the eastern region have made considerable economic accumulations, the emphasis of the development strategy will be shifted to the western region.

Drastic Widening of the Gap Between the Eastern and Western Regions

A phenomenon has emerged in the course of implementing the unbalanced development strategy: The economic gap between the eastern and western region has drastically widened during the last 10 years and this gap continues to widen. Let us take a look at the following figures:

	1981 Gap Between E and W	1985 Gap Between E and W	1986 Gap Between E and W	1987 Gap Between E and W
Total Industrial and Agricultural Output Value (100 million yuan)	2561.6	4359.99	5390.75	6785.99
Total Volume of Retail Sales (100 million yuan)	591.61	1106.45	1282.70	1558.20

	1981 Gap Between E and W	1985 Gap Between E and W	1986 Gap Between E and W	1987 Gap Between E and W
Total Industrial Output Value (100 million yuan)	2188.9	3486.03	4711.21	5955.03
Total Agricultural Output Value (100 million yuan)	372.7	873.96	679.54	757.72
Rural Areas Per Capita Net Income (yuan)	72.07	170.67	259.62	331.62

The figures in the above table are computed on the basis of the "Yearbook on China's Economy." The eastern region includes the 10 provinces and municipalities of Liaoning, Tianjin, Shandong, Hebei, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Beijing. The western region includes the 11 provinces and autonomous regions of Guangxi, Ningxia, Tibet, Shaanxi, Gansu, Qinghai, Guizhou, Yunnan, Sichuan, Xinjiang, and Inner Mongolia.

According to forecasts made by the Research Group on Economic Development and Structural Reforms under the Propaganda Department of the Shaanxi provincial party committee, by 1995 the gap between the eastern and western regions in the five indicators listed in the table above will widen respectively to 20477.07, 5068.02, 18699.11, 2006.64 (all in units of 100 million yuan), and 1564.3 (yuan).

Take the typical western province of Gansu as an example. In the 1978-1987 period, the gap between the province's figures and the national average in the following economic indicators was as follows: The gap in per capita social output value grew from 41 yuan to 495 yuan; the gap in per capita national income grew from 23 yuan to 218 yuan; the gap in per capita industrial and agricultural output value widened from 78 yuan to 804 yuan; the gap in per capita retail sales widened from 24.2 yuan to 159 yuan; and the gap in rural per capita net income increased from 35.14 yuan to 161 yuan. These are gaps between the province and the nation's average. When compared with the eastern provinces, the widening of these gaps is even more noticeable.

This therefore has caused some worry. They wonder: Will it be possible to continue implementing this unbalanced development strategy?

An analysis conducted by Western scholars on development in developed and undeveloped regions in several dozen countries shows that their development follows a process which invariably begins with a widening of the gap until it reaches a certain extent; then the widening process stabilizes, and the gap shrinks and becomes smaller and smaller. This is a very long process. Chinese scholars maintain that the gap between the eastern and western regions of the country is widening, and thus the issue at present is not whether the gap is widening, but whether the causes of the widening are reasonable, and whether the gap has widened to such an extent that it has

become intolerable to the western region. There are several causes for the widening of the gap between the eastern and western regions:

First, administrative means are no longer employed to force investment in the west and capital is now allowed to flow according to the law of movement. Since the same amount of money generates more and faster profits in the east than in the west, most of the money, which is already limited, has flowed to the east.

Second, the pace of reform has been rather sluggish in the west. This is so not only because of geographical and timing factors, but also because of some inherent factors. The production structure of the west, for example, is mostly made up of state enterprises and large enterprises, which have the least vitality for reform. Moreover, because of the few medium-size and small cities and towns in the west, the commodity economy network there lacks linking points. Because the pace of reform there is slower than in the east, the economic vitality of the west is not as vigorous as that of the east and its commodity economy is not as developed as that in the east. This phenomenon is particularly pronounced in the development of township enterprises. In 1987, the gross industrial output value of Qinghai and Jiangsu was on a ratio of approximately 1 to 50, and output value of these two provinces' township enterprises was on a ratio of 1 to 140.

Third, the state has given special economic zones, development zones, open cities, and open regions in the east four different types of preferential treatment, which are far more generous than those given in the west in terms of their authority in approving imports and exports and the percentage of foreign exchange they can withhold for themselves. Consequently, large amounts of key production components, such as capital, proficient personnel, and materials have flowed to the east.

Fourth, because of the difference of prices paid for raw and semifinished industrial materials, and for processed industrial goods, profits have been flowing to the east where processing industries are developed.

By and large, people in the west can understand the first two factors which contribute to the widening gap between the east and the west, but their reaction to the last two factors is rather strong. They now demand

improvement in these two areas: 1) Reasonable prices for raw and semifinished materials; and 2) preferential treatment should be tilted toward production, not regions.

Commerce Should Be the Axis in the Coordinated Movement of the Two Cycles

The strategy of uneven development is helpful for improving efficiency, but the people's greatest worry is this: When capital, proficient personnel, and material resources flow from the backward west to the relatively developed east, would this movement make the rich richer, and the poor poorer according to the so-called "Matthai effect" [ma tai xiao ying 7456 1132 2400 2019].

The example set by the Shanghai toothpaste plant eliminates such a worry. The Shanghai plant, which is more than 70 years old, tried hard to tap its productive potential for decades. It came to feel in the early eighties that there was no more productive potential to be tapped. Later, it entered into cooperation with seven toothpaste plants in China's interior which were losing money because they failed to produce any brandname products. Under the cooperation plan, the Shanghai plant transferred the right of producing the Zhonghua brand toothpaste to the seven plants and then proceeded to upgrade its own production by replacing the old equipment with new equipment of international standard. Consequently, the output in 1988 (including that of the seven plants) increased 2.1 times over that of 1984, and its exports earned an amount of foreign exchange exceeding \$1,000 [figures as printed]. Besides, all of the seven former money losers also made a profit. This example indicates that coastal enterprises' participation in international competition can proceed along with interior China's economic development.

Although scholars in the east and in the west differ in views in many areas, they agree that participation in the great international economic cycle must have the support of a beneficial economic cycle at home, that participation in the great international cycle can set China's great economic cycle in motion, and that the nation should support participation in the great international cycle by maintaining order in the great cycle at home. They also agree that commerce should serve as the axis around which these two cycles should revolve. In other words, to achieve the objective of enabling the east to lead the development of the west and the west to give the east material support, the two cycles should be linked through commodity exchange.

The coordinated movement of these two cycles cannot only eliminate the "Matthai effect" between east and west, it is a main essential for carrying out the strategy of coastal development. Since the west needs to know how to intensively process its raw and semifinished materials, and the processing industries in the east need further development, the greatest hope for coordinated development between east and west depends on the upgrading of

production in the east and the west at the same time. As economic and technical development continues in the west, its intensive processing capacity will improve, and this will exercise constant pressure on the east to upgrade its production, forcing it to undertake production of technology-intensive goods which require less raw materials and energy to produce but which can bring in additional profits. Conversely, the upgrading of production in the east will also pull along the development of processing industries in the west, turning it into an industrial base which can turn out all types of highly competitive end products from simply being a raw material supplier. Of course, the upgrading of production in the east may be attributed to the pushing force from the west and the pulling force of the international market. In order to make a product competitive on the international market, the upgrading of goods and technology is absolutely indispensable.

The Strategy for Coastal Development Should Be Perfected During the Course of Doing Practical Work

The relationship between the east and the west shows that the strategy for coastal development must be further perfected:

- The extension of preferential treatment to coastal areas should be tied with specific control. Because the preferential treatment extended to coastal areas lacks the necessary control, some localities and units have taken advantage of the loopholes in state policies, and what they have done has interfered with the economy in China's interior and sharpened east-west frictions. This is why many people have proposed that conditions be created so that the preferential treatment for certain regions will gradually be replaced by preferential treatment for certain types of production.
- As far as export strategy is concerned, emphasis should not simply be placed on the export of labor-intensive goods, but on a mixture of all kinds of goods. Since industrial production is relatively developed in the east, letting the east take part in international division of labor with its labor-intensive industries would be unfavorable for China's technological development.
- Coastal areas should have long-range strategic plans for heading for world markets; they should not be overeager for success. Also relevant is that they should also draw up necessary policies for their foreign trade. Under the conditions that a reasonable amount of profits can be made and that the needs of both the domestic and foreign market have been taken into consideration, they should strive to achieve a steady export growth. Their goal should not be simply that of earning foreign exchange and nothing else.
- Central and western regions should also make good use of their resources and open to the outside world in various ways. Some people have put forward strategic

plans of opening to areas along the coast, along border areas, along various railways, and along the Chang Jiang; some people have offered the tentative idea of opening up the bridge linking European and Asian continents; some people say that northwest China should open to the Arab states; and some people have produced a blueprint for reaching Southeast Asia from southwest China through the Indian subcontinent.... However, all local authorities should proceed with these multidirectional schemes step-by-step under the state's overall plans, and they should not compete unscrupulously with each other or do whatever they think is right.

Industrial Output Value Rises Sharply
HK0804012689 Beijing CHINA DAILY in English
8 Apr 89 p 1

[By staff reporter Zhang Yuan]

[Text] National industrial output value rose sharply in March, far surpassing the State's target of an annual 8 percent increase, despite the State's efforts to curb economic growth, according to figures released yesterday by the State Statistics Bureau.

In March, industrial growth was up 14.8 percent over the same month last year, reaching a value of 110.4 billion yuan. This followed two months of slowdown of the industrial production, the bureau report said.

The chief reason given for the spurt in industrial growth last month was financial support by the State Council and local governments.

Some State-owned enterprises, which were in particular difficulty in the first two months of this year and on the verge of shutting down, received emergency assistance.

In March, State-owned enterprises produced 69.6 billion yuan worth of goods, up 9.4 percent over the same month last year. Collective-owned enterprises turned out 36.4 billion yuan worth of commodities, up 21.6 percent. Of this, rural enterprises contributed 15.6 billion yuan with an increase of 31 percent, the highest.

Light industry continued to grow faster than heavy industry. Light industrial output value was 56 billion yuan, up 16.8 percent; heavy industrial was 54.4 billion yuan, up 12.8 percent over the same period in 1988.

Taking the first three months as a whole, the country's total industrial output value reached 292.2 billion yuan, up 10.4 percent over the first quarter last year.

In this period, light industrial output value was 149.5 billion yuan, up 11.1 percent, and heavy industrial was 142.7 billion yuan, up 9.8 percent.

State-owned enterprises produced a total of 187 billion yuan worth of goods, up 5.2 percent. Collective-owned enterprises turned out 93.7 billion yuan worth of products, up 18 percent, among which rural enterprises increased the highest, at 27.7 percent.

Seventy of the country's 136 major industrial products increased in the first quarter this year.

But energy and basic materials registered only slight increases and most of them failed to fulfill their production targets, the bureau's report said.

In the first quarter, energy production was up 4 percent, with most of the increase in March.

Electrical-generating volume increased by 3.2 percent, but production of crude oil dropped by 0.7 percent.

As for major basic materials, production of some construction materials and chemicals rose, but most metal production dropped.

In agricultural-related materials, plastic film and pesticides increased by 11 percent and 2.7 percent respectively. But chemical fertilizer production dropped by 8.6 percent. Production of tractors also decreased.

The dramatically high growth of collective-owned enterprises, especially rural enterprises, the report said, is certain to exacerbate shortages of energy and raw materials.

These shortages will continue to hamper industrial production in the near future, said the report, which urged that districts and departments refrain from competing with each other in industrial growth.

Enterprise Mergers, Joint-Stock System Promoted
OW0904233689 Beijing Domestic Service in Mandarin
1030 GMT 8 Apr 89

[Text] Zhang Yanning, vice minister of the State Commission for the Restructuring of the Economic System, today spoke at the national forum on enterprises' contract responsibility system. He pointed out: While emphasizing improving and developing the contract responsibility system in the course of enterprise reform, we should promote the merger of certain enterprises and establish groups of enterprises. In the meantime, we should promote the joint-stock system and try the separation of tax and profits.

Zhang Yanning said: In 1988, the contract responsibility system was promoted in various enterprises throughout the country, and we achieved very good results. At present, in the course of strengthening enterprise reform, we must adopt appropriate policies to solve problems and difficulties in the contract responsibility system. We should emphasize the following tasks:

First, we should reasonably set the basic figures for various contracts. The basic figures should be decided through open bidding if possible by referring to capital, profits, tax, wages, and net worth of products of same industries in same localities or cities.

Secondly, contracts should be seriously implemented. We should pay particular attention to those contracts that fail to fulfill the quota or responsibility.

Touching on the merger of enterprises and the establishment of enterprise groups, Zhang Yanning said: We should strengthen guidance over the merger of enterprises. Various policies should be set in line with the principle of assisting promised enterprises and eliminating poor enterprises. Preferential treatment should be given to superior enterprises that absorb other enterprises. We should support those superior enterprises through taxes, credit, allocation of energy, supply of raw materials, and other work. At present, a number of key enterprise groups have become the main forces in economic construction in our country. They are also backbone forces taking part in competition in the international market. Next, we should further improve and raise their ability so they can play a greater role.

Official Affirms No Plans for Second Daya Plant
HK0904024089 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English
9 Apr 89 p 4

[By Kent Chen]

[Text] A senior Chinese official has confirmed that China has no immediate plans to build a second nuclear power plant at Daya Bay.

The Deputy Secretary of the Hong Kong and Macao Affairs Office, Li Hou, said plans for a second plant in Guangdong Province were still at the preliminary stage, and that Hong Kong's concerns about the project would be taken seriously before any final decision was made.

Local anti-nuclear lobbyists yesterday called for close attention to be paid to the choice of the site for a second nuclear power plant in Guangdong.

Their call followed China's denial of the existence of a plan to build the second plant at Daya Bay, which it issued to the British Embassy in Beijing on Friday [7 April].

Although the British Government was told reports of plans for a second power plant at Daya Bay were false, the Joint Conference for the Shelving of the Daya Bay Plant said China should openly rule out the plan.

News that China was planning another nuclear project at Daya Bay with Soviet-built reactors whipped up a storm of protest in Hong Kong. But Mr Li, speaking from Beijing, said any final decision would rest with the State Council, and at the moment the subject was not even on the agenda.

He admitted that in reaching any decision the State Council would have to consider the psychological effect that building a second power plant at Daya Bay would have on Hong Kong, and gave his assurance that the Hong Kong and Macao Affairs Office would take public concern into account.

Mr Li told people not to worry, but warned that there would be a need for a second power plant in Guangdong to meet future energy requirements.

The Joint Conference anti-nuclear body yesterday renewed its suggestion that more effective channels should be established between Hong Kong people and the government agencies responsible for nuclear power on matters concerning the Daya Bay plant and other nuclear power plants in Guangdong.

"They should let Hong Kong people reflect their anxiety and opinion and inform Hong Kong people of their plan, which will be beneficial to Hong Kong as well as China," a statement issued by the joint conference said.

In their petition to the Office of Members of the Executive and Legislative Councils, 10 representatives of the joint conference—the umbrella body of 117 anti-nuclear groups—said the issue did not end with China's denial.

The plan for a second nuclear plant at Daya Bay was first disclosed last Thursday by Jiang Shengjie, a technical adviser to the Chinese Nuclear Industry Development Corporation.

Confusion was caused by a denial of any such plan three days later by Wang Wenzhe, spokesman for the China's Energy Ministry under the State Council.

Expert on Need To Develop Nuclear Power

Part One

HK0704102189 Hong Kong HSIN WAN PAO in Chinese
31 Mar 89 p 2

["Special feature" by staff reporter Chen Shao-chiang (7115 1421 1730): "The Mainland Urgently Needs To Develop Nuclear Power Stations"—part one of an interview with Jiang Shengjie, president of the China Nuclear Society]

[Text] Beijing, 31 Mar—The backwardness in China's energy industry development has become an increasingly serious factor that hampers the normal development of the country's economy. The long-standing shortage of electricity supply has aggravated the fall in industrial

output. Statistics suggest that last year's electric power shortage left 20 percent of the country's industrial production capacity unused, thereby causing a loss of 200 billion yuan. Taken as a whole, the country's power shortage was registered at almost 80 billion kilowatt-hours (equivalent to 16 million kilowatts) last year.

This serious power shortage has enabled people to understand that thermal power generation (by coal) and hydro-power generation can no longer meet the increasing social demand and that there is an urgent need to build more nuclear power stations.

Apart from Guangdong (Daya Bay) and Zhejiang (Qin Shan), some provinces where power supply falls short of demand, including Fujian, Liaoning, Jiangxi, and Jiangsu, have applied to the State Council to build nuclear power stations.

Building nuclear power stations is not so simple as building thermal power stations. In the first place, the problem of nuclear safety must be solved, the ground structure of the relevant site must be studied, and the influence on the surrounding environment must be taken into consideration. In addition, building a nuclear power station requires huge funds of at least several billion U.S. dollars. Under the present economic conditions, can China afford the cost? Can society withstand the strain?

Jiang Shengjie, Chinese nuclear expert, former vice minister of nuclear industry, and now president of the China Nuclear Society, explained these issues during an interview with this reporter.

Because it takes a long time to build a power station, the relevant department must draw up a long-term program in line with specific conditions, he pointed out. Some of China's "long-term plans" only cover up to the year 2000, and this cannot meet the demand for the long-term development of nuclear power stations, which require long-term investment.

Calculations by the Ministry of Energy Resources indicate that China will be able to maintain the present level of coal-powered electricity generation until the year 2000, he said. But in the early part of next century hydropower exploitation will reach its limits, and coal-powered electricity generation will be restricted due to difficulties in coal excavation and transportation. Therefore developing nuclear power stations "is a matter of great urgency."

Jiang Shengjie said: All the nuclear power stations planned and being built will generate 6.3 million kilowatts of electricity (about 20 billion kilowatt-hours) annually during the period up to the year 2000. This will not help solve the power shortage the country is facing. However, the construction of nuclear power stations should proceed step-by-step and steadily. The 900,000-kilowatt Guangdong Daya Bay nuclear power station and the 300,000-kilowatt Zhejiang Qin Shan nuclear

power station are the only sources from which China can gain valuable experience in the construction of nuclear power stations. The experiences of these two nuclear power stations should be studied in close coordination so as to draw up detailed and explicit methods and measures, with the aim of formulating a complete long-term program for the development of nuclear power stations.

Part Two

HK0704102389 Hong Kong HSIN WAN PAO
in Chinese 1 Apr 89 p 1

["Special feature" by staff reporter Chen Shao-chiang (7115 1421 1730): "The Mainland's Coal Reserves Are Running Short, the Exploitation of Its Water Resources Will Reach Its Limits"—part two of interview with Jiang Shengjie, president of the China Nuclear Society]

[Text] Beijing, 1 Apr—Building nuclear power stations requires plans of a more long-term nature than constructing other kinds of power stations. As early as 10 years ago, China began to consider building a nuclear power station, but the plan for building such a station was turned down "on two occasions" by the relevant department due to a lack of scientific support. Subsequently, no firm decision was made on the construction of nuclear power stations, and this was unfavorable to the exploitation of nuclear power and the development of the country's economy.

It takes a long time and a large investment to build a nuclear power station, Jiang Shengjie said, adding that results cannot be easily seen from building one or two nuclear power stations. Apart from this, China also lacks experience in building and operating nuclear power stations, and it will take time to master the technology and gain experience. He pointed out that a plan for the development of nuclear power stations should be arranged at least up to the year 2015. A "long-term program" up to the year 2000 is obviously inadequate.

He remarked that so far China had not worked out an overall, regular, and long-term development plan for nuclear power stations. It is inappropriate just to do feasibility studies for individual projects instead of drawing up an overall and comprehensive plan, he added. It requires huge amounts of human, material, and financial resources to start the construction of a nuclear power station, and the cost in this respect far exceeds that for its capital construction. Therefore it is necessary to formulate a long-term program to consider the development of a nuclear power station by comparing it with other power stations. In this way scientific support will be provided for the development of a nuclear power station according to objective needs and possibilities.

In 1988 many power stations in China faced a coal shortage due to a lack of transportation facilities. Officials from the China Coal Corporation and coal producing regions disclosed that China's coal resources have always been poorly managed and have lacked a uniform

plan. As a result, individuals, collective units, and the state excavate coal mines as they wish, and some even engage in destructive excavation. This has caused serious harm to the country's coal reserves. Some responsible persons from coal companies admitted that there was no coal at all in some coal mines. Judging from the present situation, coal supply will fall seriously short in the next century.

Will the development of hydropower stations, including the "Three Gorges Project," help alleviate the country's power shortage? Jiang Shengjie frankly admitted that whether the "Three Gorges Project" can be carried out still remains an issue under endless dispute. At least two major problems concerning the project are difficult to solve, he said. One is the accumulation of silt resulting from the construction of the main dam, and the other is "moving 1 million people" out of the dam area. In terms of time alone, it will take at least 20 years for the power station to be completed and go into operation even if the project could start now.

Furthermore, the operation of a hydropower station is affected by the weather, as is the stability of its electricity generation. Calculations reveal that in the early part of the next century hydropower exploitation will reach its limits and would be unlikely to develop further. Therefore it is imperative to develop nuclear power generation. Jiang Shengjie said smilingly that at a national energy work meeting early this year, many thermal power and hydropower experts pointed out that the way to solve China's power shortage is to develop nuclear power stations.

Part Three

HK0704102589 Hong Kong HSIN WAN PAO
in Chinese 2 Apr 89 p 1

["Special feature" by staff reporter Chen Shao-chiang (7115 1421 1730): "Liaoning Is Planning To Import Two Nuclear Power Plants From the Soviet Union Through Barter Trade"—third and last part of an interview with Jiang Shengjie, president of the China Nuclear Society]

[Text] Beijing, 2 Apr—The development of nuclear power stations in China has become an urgent need of society, but objectively speaking, China does not possess the necessary conditions for large-scale development of nuclear power stations because it is short of capital, qualified personnel, and advanced technology. Also, the development of nuclear power stations requires special conditions, different from those for building thermal power stations. These include project design, installations, project management, and the application of safety standards.

Jiang Shengjie said that the ongoing Guangdong Daya Bay and Zhejiang Qin Shan nuclear power stations are good sites for Chinese experts to directly absorb technology and gain experience. Because these projects are new to China, he added, they are worth building, even if the

costs are high. Developing nuclear power stations is a long-term program, so its results can only be seen after the construction of subsequent nuclear power stations. For example, the new Daya Bay nuclear power station that is under consideration and on which a feasibility study is being carried out will require less investment than the first.

The problem of funding is the biggest obstacle China is encountering in the development of nuclear power stations. Although the state continues to ensure its investment in the energy industry, it is impossible to solve all the funding problems for the construction of nuclear power stations at a time when China is practicing financial retrenchment. Jiang Shengjie believed that "barter trade" is an effective method that corresponds to China's national conditions. Jiang Shengjie said that Liaoning is now planning to import two "pressurized-water-reactor-type" nuclear power plants from the Soviet Union through "barter trade." As this will be the first time the Soviet Union has exported nuclear power plants (with a generating capacity of two times 600,000 kilowatts), to show its solemnity an agreement will be formally signed with China during Soviet leader Gorbachev's visit in May this year.

Due to changes in the international situation, China has reduced the use of "uranium" in its military industry. This being the case, the country's uranium deposits serve as a basic condition for developing nuclear power stations. According to statistics announced by China, the country's uranium deposits are adequate for 15-million-kilowatt nuclear power stations to operate for 30 years. But as Jiang Shengjie pointed out, this does not mean that the 6-million-kilowatt nuclear power stations to be built before the year 2000, as planned by the state, are too small in number, because the nuclear industry should be developed steadily according to overall state arrangements so that society can withstand the strain.

He pointed out that China is 20 years behind advanced countries in developing nuclear power stations. If China still remains in the stage of studying nuclear power stations, he added, in 20 or 30 years time there will be a wider gap between China and these countries because by then they will have reached a higher stage. Therefore, beginning from now, the country must develop new technology and new reactors, including pressurized water reactors, fast neutron [kuai zhong zi 1816 0022 1311] reactors, and nuclear heat supply [he gong re 2702 0180 3583] reactors. Some projects are beyond China's capacity for the time being, but because it will have mastered the relevant technology it can immediately proceed with these projects when opportunities and funds present themselves. "We should do our best to master technology before, and not after, opportunities present themselves."

According to statistics compiled by the International Atomic Energy Agency, in 1987 there were 417 nuclear power stations operating in the world, and the electricity

they generated accounted for 16 percent of the world's total. A forecast indicates that 480 nuclear power stations will be operating in the world next year, and the electricity they generate will account for 20 percent of the world's total.

"Thus it can be seen that developing nuclear power stations is the general trend," Jiang Shengjie pointed out, adding that China should immediately work out a complete and long-term development plan for nuclear power stations, including the development rate and scale of nuclear power stations, the prospecting and exploitation of uranium mines, the strict handling of nuclear waste, and the training of a large number of nuclear technicians. In this way China will be able to stand firm and ensure its modernization in the course of industrial development and competition.

Inflation Control Measures, Costs Viewed
OW0904201089 Beijing GUANGMING RIBAO
in Chinese 11 Mar 89 p 3

[Article by Liu Guangdi (0491 0342 4574): "On the Price and Measures for Controlling Inflation"]

[Text] China launched a campaign in the 4th quarter of last year to improve the economic environment and rectify the economic order. Since then, initial results have been made, but the situation is still grave because inflation may prove uncontrollable on the one hand, and on the other hand production may decline. To solve this contradiction, I think we must be prepared, ideologically and organizationally, to pay a tremendous price and to adopt still more effective measures.

The present economic situation is very rigorous: Too much currency is in circulation, and yet there is a shortage of funds, and the economy is not operating well; the scale of capital construction has not been checked; the purchasing power of institutions is still expanding in various forms, and extrabudgetary funds have not been put under control; as the double-austerity policy regarding finance and currency has not achieved any results, the goal to keep the level of price rises this year substantially lower than last year is difficult to achieve; enterprises have not been operating at full capacity because of the shortage of energy and raw and semifinished materials, and it is difficult to increase the supply; the public strongly anticipates that price rises will continue; and so on and so forth. We must understand this grave situation sufficiently. Moreover, we must be prepared to pay a great price. It will be surely impossible to check inflation if we are not prepared to pay a price and make sacrifices while demanding an end to inflation.

A comprehensive survey of how various countries of the world fight inflation shows that they have paid a tremendous price in trying to check inflation. For example: When West Germany was still a trustee in 1948, the currency reform launched by the American and British occupation authorities resulted in a great loss for the

people because the original imperial mark was cashed for only 6.5 percent, while 93.5 percent of all cash and deposits were lost. To cope with inflation which occurred on three occasions after the war, Japan proclaimed the so-called "nine-point principles for stabilizing the economy" in 1948, calling on the Japanese to endure hardships and even to give up some freedoms and rights recognized by a "free society." The Japanese Government authorities introduced a new wage system, fixing the salary of public servants at 1,800 yen per month (about five U.S. dollars). Moreover, the authorities directed the nation's manufacturing industries to set up a wage scale on the basis of this salary. What is more important is that the government authorities clamped a strict control on financial expenditure's consumer spending, thus effectively checking the inflation of consumer demands.

Ours is a socialist country. We cannot simply apply the experience of capitalist countries, but there is a common point, namely, checking inflation requires paying a price and making sacrifices.

China's present inflation has been created by the economic, political, historical, and psychological factors that have accumulated for years. Here are the main factors: The simultaneous existence of the imbalance of the total quantity and the imbalance of the structure. The imbalance caused by the general demand surpassing the general supply has continued for 5 years since 1984, and controlling the total quantity has become very difficult. At the same time, the industrial setup is extremely irrational. At present, China's price policy seriously interferes with its industrial policy. Because prices are irrational, regulation by means of prices is counterproductive. This has led to the failure to scale down the expansion of superfluous processing industries and to worsening shortages of energy, raw and semifinished materials, transport facilities and shortages in other sectors of the economy, thereby making it very difficult to upgrade the industrial setup. The system of eating from the same big pot and the system of the iron rice bowl have led to overstaffing in enterprises, institutions, and government departments and to their low work efficiency. According to an estimate, there are 20 million superfluous workers and staff members currently employed throughout the country. If each receives an average of 2,000 yuan per year for their wages and benefits, the total consumption would amount to 50 billion to 60 billion yuan, which is nearly half of the amount of industrial and commercial taxes paid by nearly all of the enterprises in a year (the industrial and commercial taxes in 1986 was 129.92 billion yuan).

When the state delegated power to local authorities and introduced the separation of the finances of the central and local authorities, it only paid attention to enhancing the initiative of the local authorities but failed to adopt corresponding control measures. This led to the local authorities overstressing their interests by holding back power delegated to enterprises by the central authorities,

thereby giving rise to regional blockade and regional monopoly, which seriously hampered the development of a commodity economy. Before the launching of the campaign to improve the economic environment and rectify the economic order, 20 percent of the state-owned enterprises in China suffered financial losses, and another 30 percent, which claimed to have made some profits, also actually operated at a loss, because they totally relied on the support of bank loans. The campaign has mainly reduced the working funds needed by enterprises whose economic efficiency is high, but has failed to do away with enterprises whose economic efficiency is low. Our inclination policy is not altogether rational: We tilted too much to the localities while neglecting production; we tilted too much to industry, especially village and township enterprises, while neglecting agriculture; we encouraged a part of the population and a part of the regions to become prosperous first while neglecting to let honest workers and regions with superior conditions to become prosperous first, thereby giving rise to many contradictions. I believe, two prerequisites are necessary for the solution of these difficulties: First, we must be prepared to pay a price to prevent stagflation. The price should be shared by the state, localities, enterprises, leaders, and the masses of people, but the leaders should make public the difficulties to the people so that they will bear hardships for the state voluntarily. At the same time, the leaders should set an example by sharing weal and woe with the people. Second, we must adopt more resolute and more effective measures. Forceful measures and the price to be paid are closely related. There will be forceful measures only if we are resolved to pay a price, and only forceful measures can keep the price at a level acceptable to all sectors of society. Hesitation and the lack of forceful measures will result in having to pay a still greater price. I think the following are practicable if we are prepared to pay a price:

First, the control of the total quantity and structural readjustment must be carried out simultaneously. The tightening of money supply in the 4th quarter last year is still an old method. Its main objective is to check inflation through simply retrenching expenditure, but the results were very unsatisfactory because nothing was done about the industrial setup which might lead to stagflation. To be effective, the control of the total quantity and the readjustment of the industrial setup must be conducted simultaneously. We should allow the control of the total quantity to promote structural readjustment and at the same time allow structural readjustment to ensure the control of the total quantity. In structural readjustment, we should give priority to readjustment of stocks and make the readjustment of increments play a supplementary role. The purpose of readjusting increments is to promote the readjustment of stocks. The net output value of China's current fixed assets exceeds 900 billion yuan. China has over 600 billion yuan of working funds and about 1,600 billion yuan of national funds in stock. This is a valuable wealth. If we can improve the composition of this wealth, we will be able to achieve major results in improving the economic environment and rectifying the economy. The

difficulty lies in how to readjust and improve the composition of the wealth. Our readjustment work is faced with serious difficulties because of the immature market, regional monopolistic forces, irrational prices, and the influence of other factors. However, in the interest of the country, we must do our best to overcome difficulties and strive to upgrade the economic structure by beginning with credit, finance, taxation, interest rates, by setting up a system of markets, and by promoting coordination between regions and trades.

Second, we must continue to resolutely curtail investment in capital construction. Capital construction projects currently under construction cost the state 1,300 billion yuan. It will take 10 years to complete these projects even if no new projects are launched from now on and provided there are no price increases. If prices continue to rise, the completion of these projects will be indefinite. In curtailing the scale of capital construction, we should mainly employ administrative means and supplement it with economic means. For example: We should abolish the system of replacing appropriations with loans and introduce the double-track system of separating appropriations from loans. In the case of appropriations, a certain amount of profits will have to be collected; in the case of loans, both principal and interest must be repaid. In extending loans, banks should give priority to ensuring the needs for working funds and then arrange loans for investment in fixed assets when there are money surpluses. Banks should know that the main objective is to reduce investment in fixed assets, not working funds.

Regarding new construction projects and those now under construction, we must first ensure that working funds are available before we appropriate construction funds. To those who have not deposited their working funds in the bank, the latter has the right to stop payments for any capital construction project. We must levy construction taxes more extensively and increase the tax rates. We must levy heavy tax on those projects that are included in the list of restricted projects; and replace the construction tax with a tax on the rates which vary with the method of investment. Third, we must set up a new macroeconomic control system with adjustable interest rates. The use of interest rates to regulate the economy is not only a vital tool to curb inflation, encourage savings and eliminate backward enterprises, but also an effective means to rationalize commodity prices. The key to adjusting the interest rates is to turn a negative interest rate into a positive interest rate. According to the experience of Western countries, the normal interest rate must be two to three percent higher than the inflation rate. Only by using this type of interest rate can we encourage savings and help enterprises use their funds effectively and develop production. According to the situation in China, the increase of loan interest rate will not impose a heavy burden on well-managed enterprises. Nor will it bring about price rises.

Fourth, in order to improve the contracted responsibility system for enterprises, we must gradually adopt measures to separate taxes from profit and implement a system of loan repayment under which taxes are deducted first. Although many people disagree with such measures, I believe that these measures are feasible both in theory and in practice. Naturally, under the tax burden at present, enterprises will definitely experience difficulties. To solve this problem, we may reduce their revenue tax rate from 55 percent to 35 percent or even to a rate below 30 percent. After Chongqing City carried out experiments in separating taxes from profit, guaranteeing net profit after tax and implementing the system of loan repayment under which taxes are deducted first, the major economic indexes of the city's 508 enterprises have risen in general. All this proves that these measures are entirely feasible.

Fifth, we must reform the system of income distribution and the social security system. Right now, the tendency of egalitarianism and the sign of inequity in income distribution exist side by side. They become one of major factors in dampening the people's work enthusiasm. Inequity in income distribution stirs up new difficulties in handling enterprise bankruptcy and workers unemployment problems. The tendency of egalitarianism in income distribution affects the enthusiasm of the workers and lowers the efficiency of the enterprise. In the course of improving the economic environment and rectifying the economic order at present, we need to strengthen the taxation of income regulatory tax for individuals as well as all types of consumption taxes to mitigate the inequity in income distribution. At the same time, we must turn the policy to allow some people and areas to become well-to-do first into a policy of one to encourage those workers who are honest to become well-to-do. In order to overcome the tendency of egalitarianism in income distribution, the most important thing is to link wage to production output and ensure that the growth rate of wages is lower than that of production output. We must quicken our pace in establishing a new social welfare system. It must be particularly pointed out that we should improve the social welfare system by arousing people's incentive to save more money and cut spending. Right now, the system under which the state financially guarantees care for all the people during childbirth, old age, and illness as well as burial arrangements should no longer continue. Under this system, high consumer demands during a short period are sometimes inevitable. Therefore, we must reform the social welfare system through which we may develop a mechanism to arouse incentive for savings. Right after the war, a tendency of encouraging savings, accumulation, and investment prevailed in Japan and South Korea. An important experience in these two countries was that the people there have lower social welfare benefits but higher incentives in savings. Ours is a huge nation with a 1.1 billion population. We should not adopt a policy under which the state guarantees care for the people in everything. This kind of policy will make the people pin too much hope on the reform

program and feel greatly disappointed at our efforts for economic adjustments. Nor should we copy the policy of "welfare state" of the capitalist nations. Naturally we should try our very best to develop a sound social security system, but more important is the fact that we should enforce a system to help individuals increase their income.

Sixth, we must severely punish the bureaucrat racketeers and other types of racketeers, either large or small, to win people's confidence, whip up the work enthusiasm of the broad masses of people, and encourage them to increase production and practice economy.

Lure of Cash Crops Threatens Grain Targets
HK1004032289 Beijing CHINA DAILY in English
10 Apr 89 p 1

[By staff reporter Wen Jia]

[Text] Farmers are once again turning to the lure of cash crops which, the State Statistics Bureau reveals, is threatening the government's harvest targets.

This has been in spite of the State's strong emphasis on grain production.

The total sown acreage of grain will increase by 1.2 percent this year over 1988. But that of cash crops will go up 2 percent, according to a national survey based on farmers' production plans.

Meanwhile, grain crop acreage in the country's total areas of crop cultivation will drop from last year's 76.2 percent to only 75.8 percent this year.

Farmers are showing keen interest in growing rice, which suffered a big fall last year, because rice prices have been strong on local markets since last year.

But by contrast, corn cultivation is expected to weaken a little, dimming the country's hopes for an increase in dwindling supplies of fodder.

Farmers in Liaoning, Jilin and Henan Provinces, all among the country's chief grain producers, will turn more than 800,000 hectares of previously corn-growing farmland over to rice.

Even among the cash crops, farmers prefer such as tobacco and vegetables to cotton since this brings them less income.

According to the survey, the sown acreage of tobacco and vegetables will rise by 18.2 percent and 4.7 percent respectively over last year. But that of cotton will fall by 3.6 percent.

Cotton production fell last year while tobacco output went up by 42.4 percent. The State raised its purchasing price for cotton by over 10 percent to halt the decline but all it seems to have done is check the downward slide.

Oil crops also attract much of Chinese farmers' attention. Their total acreage is due to increase by about 313,000 hectares.

Increases in oil crops contributed much to China's grain production slump in 1985, when farmers devoted 3.12 million hectares of grain-growing farmland to them. The government has been discouraging oil crop production since then.

Cultivation of sugar crops will fall by 4.4 percent this year compared with last year, when the total sown acreage rose by 22.9 percent over 1987.

The survey covered more than 90,000 rural families in all the 30 province, municipalities and autonomous regions on the mainland.

Officials are urging that measures be taken to help farmers grow more grain and cotton and less tobacco. Cultivation of oil and sugar crops can be maintained at the current level.

China's grain production has suffered four years of stagnation. The State is to set up an agricultural development fund of about five billion yuan a year to boost farming.

Marketable Grain Base Development Plans Outlined
OW0804062189 Beijing XINHUA in English
0903 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—The Chinese Ministry of Agriculture has chosen 80 counties in 24 provinces, municipalities and autonomous regions as the second group of bases for marketable grains to be developed during its Seventh Five-Year-Plan (1986-1990).

Today's edition of the ECONOMIC DAILY attributed the announcement of the plan to Chen Yaobang, vice-minister of agriculture, who attended a national conference on construction of marketable grain bases in Kunming, south China,, earlier this week.

Most of the new bases are located in dry areas of northwest China, in areas of south China where rice is produced, and in other areas which have not been self-sufficient in producing grain. The total investment in the plan is estimated at 380 million yuan (1.02 million U.S. dollars), which will be collected jointly by the central and local governments, the paper said.

It was also decided at the Kunming conference that another 33 counties will be developed into growing and processing areas for high-grade non-staple foodstuffs. Another 116 projects will be devoted to the production of high-quality agricultural byproducts.

The Ministry of Agriculture chose 576 counties as bases for these projects three years ago, and 1.2 billion yuan has been spent on bringing them up to standard, the paper said.

For example, 380 million yuan was spent on 111 marketable wheat bases in the past three years and four million tons of grain, worth 2 billion yuan, was harvested.

Henan Governor Cited at NPC on Agriculture
OW0604212489 Beijing Domestic Service in Mandarin
2300 GMT 26 Mar 89

[From the "Special Program on NPC and CPPCC Sessions"]

[Text] Dear listeners: Henan is a big agricultural province. In this connection, our station reporter (Ji Ruji) interviewed Cheng Weigao, deputy to the Seventh NPC [National People's Congress] and governor of Henan Province, on how to expand agricultural production in Henan. He said:

[Begin Cheng Weigao recording] During the last few years, Henan has made tremendous progress in agriculture. However, on the whole, its foundation is still rather weak. The most important and essential thing to do, in order to resolve the issue of agriculture, is to tackle the issue of infrastructure well. As for the infrastructure of agriculture, I have this to say. [end recording]

Cheng Weigao continued: It is most important that we tackle irrigation first. We must concentrate on digging wells, and diverting water from the Huang He for irrigation. Henan cannot reach new heights in agriculture without constructing millions of mu of farmland with high and stable yields regardless of drought or excessive rain.

Of course, to improve the foundation, there are many more things to do. For example, increasing the production of agricultural capital goods, increasing the supply of chemical fertilizers, pesticides, plastic sheetings, improving the ecology and the environment, dealing successfully with the afforestation of hills, the greening of plains, and the harnessing of small waterways. In addition, we must be able to control land usage and population growth in the countryside.

At present, the population is increasing rapidly each year while the amount of land available is on the decline. If this trend continues, we will be unable to meet the grain needs of newborns even if we manage to raise per-mu yield to higher levels. Therefore, an important supplement to building the agricultural infrastructure is to enforce strict control over land and population growth.

Of course, to ensure that agricultural production reaches a new level, we must promote science and technology, and improve the quality of workers. To achieve this, we must step up education in science and technology in the countryside. Other important aspects pertaining to the agricultural infrastructure are redoubling efforts in farmland capital construction and promoting the use of quality strains. Agriculture is the foundation of the national economy, and to tackle agriculture properly we must continue to improve its infrastructure.

Currently, there are certain phenomena among our cadres which need attention. A minority of leading cadres, in order to further their own careers, are keen at putting up a front to show off their achievements. They care only

for the present, neglect long-term interests, and are bent on keeping up appearances at whatever cost. Such practices are causing serious damage.

Building foundations is an arduous task; it requires much effort that does not easily produce instant results. Some of the foundation work that is completed now may yield benefits only during the next government, or even later. Therefore, even if one does not achieve anything during one's tenure, we must always bear the people's basic interests in mind and carry on the spirit of ground-work-laying in order to do a solid job in building the infrastructure for the next government, for the next generation, and for the long-term and steady development of agriculture.

East Region

Jiangsu Issues Circular on Civil Affairs Work *OW0604183589 Nanjing Jiangsu Provincial Service in Mandarin 1015 GMT 26 Mar 89*

[Text] Recently, the provincial government issued a circular on improving civil affairs work. The circular called on all localities to regard doing a good job in developing social security at the basic level as a central task in the work of civil affairs in the future. The circular urged all localities to continue implementing the policy of combining production with providing disaster relief; explore reform measures connecting support for development of production with sending relief to disaster areas; set up a system of different levels of community-type social security suited to local economic development with the help of the people and the local economic cooperatives; make vigorous efforts to develop production projects for social welfare in both urban and rural areas by granting preferential tax treatment to welfare enterprises and supporting them with credit loan facilities in accordance with relevant regulations; and set up more service stations on a trial basis in urban communities by encouraging social organizations, as well as individuals, to run various community service organizations.

Shanghai Secretary Discusses Economy, Reform *OW0604201389 Shanghai JIEFANG RIBAO in Chinese 28 Feb 89 pp 1-2*

[Article by Jiang Zemin, secretary of the Shanghai Municipal CPC Committee: "It Is Necessary To Handle Well the Relationship in Five Areas in Order To Stabilize the Economy and Deepen Reform"—reprinted from SHANGHAI GAIGE (SHANGHAI REFORM), issue No 2 of 1989]

[Text] According to the strategic decision adopted at the 3d Plenary Session of the 13th CPC Central Committee, the emphasis of reform and construction this year and next year should be improving the economic environment, rectifying the economic order, and deepening reform in an all-around way. The year 1989 is the first year in which to implement the policy of improving the economic environment and rectifying the economic order in an all-around way. How do we organically integrate improving the economic environment and rectifying the economic order with stabilizing the economy and deepening reform? In view of Shanghai's actual conditions, it is necessary to handle well the relationship in five areas.

I. It Is Necessary To Handle Well the Relationship Between Overall and Local Interests and Adhere to the Principle That the Part Be Subordinate to the Whole

Addressing a national conference on planning, comrades Li Peng and Yao Yilin emphatically pointed out: The major problems currently existing among leading cadres at all levels are that they have failed to recognize the serious

threat of overheating of the economy and inflation, underestimated the difficulties facing us as well as the arduous efforts and time required to overcome these difficulties, and lacked full understanding of the cost and sacrifice that must be paid in order to curb inflation. Because of these problems, they do not have a profound understanding of the decisions of the 3d Plenary Session of the 11th CPC Central Committee and the series of remedial measures taken by the State Council, have not exerted themselves in implementing these decisions and measures, and have taken a hesitant or wait-and-see attitude toward them. Their remarks aptly describe the actual situation. Now let us take a look at the situation in Shanghai. Although everyone agrees with the policy of improving the economic environment and rectifying the economic order, yet when the policy is applied to specific issues, I am afraid that some comrades may say: Indeed, the economy is overheated, but I have nothing to do with it. If everyone says he or she has done nothing wrong, why is it that there is an overheated economy nationwide? Some may stress that it is unfair to demand conformity from everyone. Yes, we must differentiate one situation from another and must not demand conformity from everyone. But, under the present circumstances, demanding conformity is the only way out. We must realize that improving the economic environment and rectifying the economic order is in essence economic readjustment. For the readjustment to succeed, it will inevitably involve the present distribution of interests. In some cases, local interests may have to suffer a little. Therefore, the entire municipality from top to bottom and from everyone both inside and outside the party should unify our thinking, take the interests of the whole into account, be prepared to tighten our belts for the next several years, and make an early and hard decision to curtail the scope of investment in fixed assets. We must continue to regard screening office buildings, auditoriums, and guesthouses as the central task because this is where we must exert all-out efforts. In addition, we must also earnestly check and strictly screen technological innovation projects related to production. We have learned a lesson from our past mistake of treating all projects on an equal footing. However, this time, we will do it differently. Projects that are in keeping with the orientation of readjustment, have good economic results, and can increase effective supplies should be retained. On the other hand, projects whose products have no market, and which lack the necessary conditions for production and construction, must be resolutely eliminated.

II. It Is Necessary To Tackle Well the Relationship Between Appropriately Reducing the Industrial Growth Rate and Preventing Economic Stagnation

This year marks the first year of the implementation of the policy of improving the economic environment and rectifying the economic order, and the second year of Shanghai assuming contractual financial obligations to the state. To carry out the policy of improvement and rectification, we must reduce the industrial growth rate; however, at the same time we must also maintain a steady and proper economic growth rate in order to fulfill our contracted

financial obligations. So, there is the task of how to handle well the relationship between appropriately reducing the industrial growth rate and preventing economic stagnation. Proceeding from reality, and after careful discussions, the municipal party committee and government decided to set Shanghai's industrial production growth rate this year at 5 percent (4 percent if village-run industry is excluded). The rate of Shanghai's industrial development last year was 10 percent (8 percent if village-run industry is excluded). Reducing the industrial growth rate from 10 to 5 percent conforms to both the spirit of curbing overheated economic development and the minimum rate requirements set by Shanghai's contractual financial obligations to the central government. An overall analysis indicates that Shanghai has the ability and great potential to improve as far as economic returns are concerned. This is also Shanghai's most important task. Our various enterprises must aim to achieve the high standards both at home and abroad set by their counterparts in the same industries; they must find out how much they lag behind, and must strive to reach and surpass that level. We must continue to carry on the double-increase and double-economy movement in a profound and sustained way. We must endeavor to reduce material consumption, raise labor productivity, improve product quality, and increase economic returns, especially of state-owned large- and medium-sized enterprises, so as to fulfill the requirements of "guaranteeing 5 percent but striving for 6 percent growth" and achieve 15.4 billion yuan in financial revenues.

III. It Is Necessary To Handle Well the Relationship Between Efforts To Reduce Demand and Efforts To Guarantee Effective Supply, Stabilize Market Supply, and Guarantee Stable Living Conditions for Residents

We must endeavor to pay attention to production this year and improve as well as increase effective supply while making efforts to reduce and control general demand. Increasing effective supply calls for increasing important nonstaple foods such as grain, oil, meat, poultry, and eggs, as well as manufactured goods for daily use, readily salable light textile products, and products in short supply, which enables us to withdraw more money from circulation. It does not call for increasing production of all commodities in an overall manner. Comrade Yao Yilin said: Striving for a bumper agricultural harvest by all means is the foundation for stable economic development. The promise that this year's price rise will be lower than last year is a target to be fulfilled in our efforts to stabilize economic development. Recently the CPC Central Committee issued a special circular on aiming for a bumper harvest. We must resolutely carry out its guidelines, pour all municipal resources into agricultural production and "vegetable basket projects," use every means to strive for a bumper agricultural harvest in suburban areas this year, and strive to have "vegetable basket projects" yield better returns. Meanwhile, we must take pains to ensure the supply of 26 daily necessities. If we can do a good job in this regard, we can stabilize the market and make the people feel at ease.

IV. It Is Necessary To Handle Well the Relationship Between Efforts To Intensify Macro-Control and Those To Persist in Micro-Flexibility, Deepen Enterprise Reform, and Increase the Vitality of State-Owned Large and Medium Enterprises

It is necessary to continue with comprehensive reform so as to fulfill this year's task of improving the economic environment and rectifying the economic order. However, the specific methods and procedures to be carried out in this year's reform must be geared to the requirements of improvement and rectification. Therefore, it is necessary to seriously handle the relationship between efforts to intensify macro-management and those to persist in micro-flexibility. In my opinion, intensifying and improving macro-management does not mean to resume control of enterprises in a rigid manner; rather it is aimed at revitalizing them in an orderly manner at a time when micro-flexibility is being promoted. Meanwhile, the state's macroeconomic regulation and control will work better if we persist in micro-flexibility by loosening control over state-owned large and medium enterprises to enable them to really establish, under the state's macro-management, a mechanism whereby they can operate independently, be solely responsible for profits and losses, and exert self-restraint. To this end, we must further deepen enterprise reform this year.

Shanghai's enterprise reform this year should focus on stabilizing, improving, and developing the contracted management system in a steady manner. Managers must be selected through competition and according to their qualifications. The competitive mechanism should gradually be introduced to all state-run enterprises. On the one hand, the various commissions, offices, and bureaus must implement supplementary measures, delegate responsibilities and authority to enterprises, and permit them to control profits, thus making them really responsible for their own profits and losses. On the other hand, they should employ plant directors through public biddings. They should select capable persons to act as plant directors and give them full and independent authority over the implementation of supplementary reform measures in their respective plants. We must gradually promote the system of selecting good managers through public biddings, which we have implemented on a trial basis for several years. Since the end of last year, I have gradually surveyed and studied 18 enterprises with independent managerial authority. My survey and study focus on whether the promise to delegate to them authority in 10 relevant areas has been honored, and on whether there have been changes in the way various competent departments and departments in charge of general affairs regulate and manage them. Deepening enterprise reform also calls for strengthening and improving the way enterprises manage themselves, optimizing labor organization, tightening labor discipline, fully arousing the enthusiasm and initiative of the vast number of workers, and tapping the potential of enterprises. Meanwhile, it is necessary to promote associations and mergers among enterprises, develop enterprise

groups in a guided and orderly manner, and streamline the organizational structure of enterprises. In addition, it is necessary to actively and steadily implement a pilot shareholding system with public ownership playing a dominant role. Last November, I began a month-long survey and study of 11 model pilot shareholding enterprises and 8 other enterprises which had applied for the implementation of the shareholding system. Based on facts collected during the overall survey, I maintain that we must bear in mind the following three points when implementing the shareholding system: First, we must be risk-conscious and be aware that profits are not guaranteed. Second, dividends should not be higher than interest rates. Third, we should not merely consider raising funds; rather, we must consider the operational mechanism of enterprises.

The Shanghai Municipal CPC Committee and Government have conducted a careful study of the pilot shareholding system. Based on the pilot shareholding system implemented in previous years, some large and medium enterprises will be allowed to add a proper number of pilot units. However, we should never rush headlong into implementing and promoting the pilot shareholding system. When we implement the pilot shareholding system, we must pay attention to the following points: First, the pilot shareholding system must be implemented on the basis of voluntary, not "involuntary," participation. Second, there must be rules for implementing the system, and experiments must be conducted strictly according to these rules. Third, all pilot units must carry out their experiments within certain bounds.

V. It Is Necessary To Handle Well the Relationship Between Efforts To Overcome Egalitarianism and Those To Solve Unfair Social Distribution and To Strengthen Supervision and Management of Individual Businesses

In their recent speeches made respectively at a forum on coastal areas and a conference on national planning, Comrades Zhao Ziyang and Li Peng pointed out: It is necessary to gradually resolve the problem of unfair social distribution and strengthen the supervision and management of individual businesses. In my opinion, it is now time for us to resolutely study and resolve the problem. The existence and sharpening of the problem has been having a serious impact and negative effect on workers as the main force, on peasants as an allied force, and on people from all walks of life who earn their living by working. This is unfavorable for cooling down people and winning their support. When outlining this year's work guidelines, the Shanghai Municipal CPC Committee said: It is necessary to resolutely study and solve the salient problem of unfair social distribution as well as arouse the enthusiasm of workers, peasants, intellectuals, and the vast number of government organs and cadres. The Shanghai Municipal Government prepares to study and solve the problem by paying attention to six areas. It will strengthen the management of revenues either yielded by enterprises and affiliated companies or

yielded in cooperation with other institutions; the management of "four technologies"—technological transfer, consultation, service, and training; the management of personal income; the management of workers concurrently holding two posts and demobilized and retired personnel seeking reemployment; the management of the individual economy; and the management of new "companies." Among the six areas, supervision and management of individual businesses as well as control and management of the total wages of new companies are the most important. The Standing Committee of the Shanghai Municipal CPC Committee recently heard an investigation report on issues regarding the city's individual businesses and unlicensed vendors. According to the investigation, Shanghai's individual economy plays a positive role in creating jobs, promoting circulation, making things convenient for the people, and increasing state financial revenues. However, there are also serious problems, such as illegal and unlicensed operations and serious tax evasion. Many large individual businesses reap exorbitant profits by evading taxes. According to the Association of Individual Businesses, those earning a net income of over 10,000 yuan account for 10 percent of the 49,000 individual businesses in Shanghai. Those earning a net income of over 10,000 yuan account for more than 80 percent of the businesses located in small markets in Fumin Street and on Liulin Road. Some of these businesses have capital exceeding 10,000 yuan. Some even have hundreds of thousands of yuan. According to a relevant department, the 49,000 individual businesses have over 100 million yuan in capital, of which only 7.5 million have been deposited in banks. Seventy percent of these upstarts evade taxes. The percentage is even higher among unlicensed individual businesses. The amount of unpaid taxes averages several thousand yuan per individual business. In some cases, it runs to tens of thousands or even hundreds of thousands. Generally speaking, it is very difficult for an individual business which pays taxes according to current tax codes to create wealth overnight. Most of the individual businesses which create wealth overnight mainly resort to "shortcut" illegal operations and tax evasion. Worse still, they collude with persons of some state- and collective-owned enterprises who have authority over the allocation of products and raw materials, and make use of the loopholes in current policies. After conducting a study, the Standing Committee of the Shanghai Municipal CPC Committee called for mobilizing efforts from all quarters to deal with this problem. It is necessary to strengthen the collection of business tax, income tax, and other minor types of tax from private enterprises and individual businesses. It is also necessary to arouse the enthusiasm of governments at district, county, and township levels; strengthen industrial and commercial administration; regulate excessively high incomes; strike at illegal operations; and resolutely prevent private enterprises and individual businesses from evading taxes. In addition, it is necessary to reorganize and consolidate various companies by strengthening management and control their total wages. The work may involve various sectors and must be carried out strictly according to

established policies. However, once successfully carried out, it will have a broad effect. Therefore, we must conduct meticulous investigation and research, strictly stick to policies, and solve problems in a serious and meticulous manner.

Shanghai's Jiang Zemin Cited on Party-Building
OW0704213189 Shanghai City Service in Mandarin
2300 GMT 4 Apr 89

[Text] The Propaganda Department of the Shanghai Municipal CPC Committee held its fifth forum on theoretical work on the afternoon of 4 April. During the meeting, leaders of the municipal party committee joined theorists in Shanghai in discussing how to do a good job in party-building in the new period. Some experts and scholars spoke at meeting.

Jiang Zemin, secretary of the municipal party committee, and other leaders of the party committee attentively listened to the views and suggestions of those experts and scholars and joined them in discussion. The experts held that in order to do a good job in party-building, we must take both stopgap measures and radical measures. At present, it is necessary to pay attention to basic party-building work and inner party supervision, and bring into full play the role of the discipline inspection commissions at various levels. It is necessary to strengthen the supervision of the masses, the democratic parties, and the media over our party, and strive to eliminate corruption in the party.

Comrade Jiang Zemin spoke last. He said: We should seriously study the glorious history of our party. The status of our party, as the ruling party, has undergone a qualitative change as compared with the time of war. A major difference is that it is now holding power. We must soberly understand our party's present status, use the power correctly, and prevent being corrupted by power. In the building of the party ranks, we should not only stress numerical strength, but also quality. In building the party in the new period, we should continue the good practices of the past. At the same time, we should also reform some old things and make new creations according to new circumstances. In particular, the party education in the new period should have new contents and new methods.

Zhejiang's Li Zemin Inspects Various Localities
OW0704065889 Hangzhou Zhejiang Provincial
Service in Mandarin 1000 GMT 2 Apr 89

[Text] Li Zemin, secretary of the provincial party committee, paid a visit to (Pengtou) village in (Xiaowangmiao) township, Fenghua County, on 30 March. There, he invited the secretaries of five village party branches to a meeting to discuss matters concerning agricultural production development and party work promotion in rural areas.

(Fu Jialiang), head of (Pengtou) village, briefed the secretary on the six effective projects the village party branch has carried out. Li Zemin showed much interest in the party branch's efforts to avoid using arable land for (?office buildings) and in the establishment of a system of raising funds for agricultural development. He said that to simultaneously grasp the building of material and spiritual civilizations is no empty talk. It is necessary to do some useful work each year. In this way the results of building the two civilizations will gradually expand year after year.

The secretary of the (Nanxi) village party branch said that a big flood washed away 100 mu of the village's high-yield farms last year. A lot of villagers lost their confidence. But under the leadership of the party branch, the masses built 60 mu of new farms in 3 months. As a result, the masses regained their enthusiasm.

After hearing this, Li Zemin said that that is why we should pay attention to carrying forward our political superiority.

During their conversations, the party branch secretaries freely spoke their minds. They made suggestions in connection with the peasants' concept of the state being weak and the deterioration of the labor force, water conservation facilities, land fertility, and farm machines, as well as some cadres' work style.

Li Zemin said: In agricultural development, government departments at all levels must increase input in agriculture. They must also encourage the contracting peasants to increase their investment in agriculture; they must teach peasants to be more patriotic and to carry forward the spirit of making sacrifices. To achieve this goal, rural party organizations should play a positive role and strengthen ideological-political work. Party members should take the lead in promoting this goal.

Ends Ningbo Inspection Tour
OW0704065989 Hangzhou Zhejiang Provincial
Service in Mandarin 1000 GMT 1 Apr 89

[Text] Li Zemin, secretary of the provincial party committee, ended his 8-day inspection tour of Ningbo City yesterday. Before his departure, he held a discussion meeting with the principal leaders of the Ningbo City party committee, the city government, the city People's Congress, and the city CPPCC [Chinese People's Political Consultative Conference] Committee.

He said: The coastal cities should accelerate the pace of opening to the outside world. They should correctly understand the relationship between improving the economic environment and rectifying economic order on the one hand and implementing the strategy for economic development in the coastal regions on the other hand. They should be bold enough to think of better ways to attract foreign investment, effectively raise their work efficiency, and build a better environment for

opening to the outside world. First, is necessary to keep a firm grasp on this work in building key projects. Second, it is necessary to keep in mind the Eighth 5-Year Plan. That is, it is necessary to complete the study and verification of the key projects in the Eighth 5-Year Plan as early as possible. Village and township industries should pay attention to readjusting their structure and to deepening the reform of their operational mechanisms aimed at raising their quality.

These suggestions were made by Comrade Li Zemin after inspecting 12 enterprises, schools, rural and port key projects, and units in Ningbo. During his stay in the city, he also held a forum with some entrepreneurs to discuss matters concerning the implementation of the Enterprise Law, the further straightening out of party and government relations, and the building of a new system for ideological-political work. At the forum, he carefully listened to the reports made by rural party branch secretaries on their opinions about the building of party organizations and the present agricultural problems in rural areas.

We will report a discussion meeting between him and peasants later.

Population Growth Creates Problems for Zhejiang
*OW0604202989 Hangzhou Zhejiang Provincial
Service in Mandarin 1000 GMT 26 Mar 89*

[Text] Figures provided by the provincial statistical bureau show that sharp population growth has seriously hampered our province's economic and social development and affected the efforts to raise people's living standards. The ill effects of sharp population growth can be seen in the following.

First, a reduction of per capita arable farmland. Per capita arable farmland in 1988 was reduced to 0.62 mu from 0.64 mu in the preceding year.

Second, a decline in per capita grain. Last year the total output of grain saw a drop of more than 350,000 metric tons compared with the previous year. With an increase of more than 480,000 people in the total population, the per capita grain in 1988 dropped to 372.6 kg from 386 kg in the preceding year.

Third, sluggish growth of per capita national income. A considerable part of the national income was wiped out by the population increase.

Fourth, clogged roads and increased traffic.

Fifth, medical and public health facilities were unable to catch up with the rising population. In 1988 there were only 2.2 beds and 1.35 doctors for every 1,000 people. The difficulty in obtaining medical treatment and hospitalization is a problem that remains unsolved.

Central-South Region

Guangzhou Leader on 'Grim' Financial Situation
*HK0904035789 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 8 Apr 89*

[Text] Guangzhou Vice Mayor Lei Yu said at a city conference on capital yesterday that the city's current financial situation is grim, and it is essential to do everything possible to expand the sources of capital and seek invigoration amid austerity.

To ease the shortage of capital, Lei Yu demanded that all units whip up an upsurge of organizing term deposit savings throughout the urban and rural areas. The urban construction and development companies, following the principle of maintaining their capital and making a slight profit, must provide 200 houses to the banks so that the banks can promote housing savings. When the enterprises have no way of resolving their floating capital requirements through the banks, they can launch internal efforts to raise capital, but the interest rate must not be more than 40 percent above the current bank interest rate.

In addition, the financial departments should actively promote share issues and transfers, and explore ways of developing a stock market comprising a mix of state shares, enterprise shares, individual shares, and foreign investment shares.

Guangdong 1988 Economic, Social Statistics
*HK3003090189 Guangzhou NANFANG RIBAO
in Chinese 21 Mar 89 p 2*

["Statistical Communique by the Guangdong Provincial Statistical Bureau on Economic and Social Development in 1988"; all increases and decreases are as compared to previous year throughout]

[Text] In 1988, the province executed the strategy of developing the economies along the coastal areas, actively conducting combined experiments of reform and opening up, so that the national economy continued to develop, its economic strength was further boosted, and new achievements were made in such undertakings as science and technology, education, culture, and public health. According to preliminary calculations, the gross output value of society was 225.082 billion yuan, an increase of 25.4 percent; domestic gross output value was 111.54 billion yuan, an increase of 16.2 percent; national income was 87.844 billion yuan, an increase of 16.9 percent; and financial revenue totaled 10.461 billion yuan, an increase of 13.5 percent. The major problems in economic development were: Excessively large scale of investment in fixed assets; excessively rapid industrial development; excessive social demand; sharp price increases; and inflation. Following the commencement of the fourth quarter, the province adopted a variety of measures and made preliminary achievements by implementing the principles on improving the economic environment and rectifying economic order.

I. Agriculture

Agricultural production continued to develop and forestry, animal husbandry, sideline production, and fishery grew steadily. The province's gross agricultural output value was 44.058 billion yuan, an increase of 7.5 percent. The growth rate in the cultivation industry was 2 percent, and in forestry, animal husbandry, sideline production, and fishery it was 13.3 percent. The sown area of grain and oil crops dropped so that their respective output dropped to varying degrees. The output of cane sugar and jute and bluish dogbane increased, thereby putting an end to their declining situation for 2 successive years. The outputs of other crops were also raised by varying degrees, while silkworm cocoon output increased slightly.

The outputs of major agricultural products are as follows:

	1988 (1,000 tons)	Growth Rate Over Previous Year (Percent)
Grain	16,367	-3.8
Cane sugar	15,386.8	14.9
Peanut	518	-3.2
Jute and bluish dogbane	21.5	0.9
Tobacco	58.1	45.2
Tea	23.9	4.8
Silkworm cocoon	15.6	6.8
Fruit	2,779.8	5.3

In forestry, through implementing the decision to "turn Guangdong green in 10 years," the province adopted effective measures to boost afforestation work to a record level, planting trees on a total area of 12,384,000 mu.

Animal husbandry production continued to grow. The amount of pigs consumed and pork continued to increase and the output of major products such as beef, mutton, livestock, poultry, and milk increased by varying degrees. As a result of the shortage of fodder and its soaring price, the number of pigs on hand dropped slightly at the end of the year. There was even the phenomenon of some localities slaughtering breeding livestock and poultry.

The output of major livestock products and livestock was as follows:

	1988 (1,000 tons)	Growth Rate Over Previous Year (Percent)
Pork	1,246.4	9.2
Beef and Mutton	25.5	9.9
Milk	49.9	8.5
Number of pigs consumed	15,895.0	5.3
Number of cows at year's end	4,514.9	2.1
Number of pigs at year's end	19,369.3	-0.6

Fishery reaped another productive harvest. The province further expanded the breeding area and boosted fishing capacity. Its annual output of aquatic products

totalled 1,744,600 tons, an increase of 12.3 percent; marine products totalled 1,018,200 tons, an increase of 12.9 percent; and fresh-water products totalled 726,400 tons, an increase of 11.4 percent.

Agricultural production conditions continued to improve. By the end of the year agricultural machinery power totalled 11.289 billion watts, an increase of 8.7 percent. The number of small and hand-held tractors was 304,800, an increase of 10.2 percent; the number of trucks was 37,400, an increase of 7.2 percent; irrigation machinery power totalled 1.845 billion watts, an increase of 5.1 percent; a total of 1,382,400 tons of chemical fertilizer (converted to 100 percent) were applied, an increase of 7.8 percent; the average amount of chemical fertilizer applied to each mu of cultivated land was 36.7 kg, an increase of 2.9 kgs; and rural power consumption totalled 4.263 billion kilowatt-hours [kwh], an increase of 16.6 percent.

The rural economy was brisk and secondary and tertiary industries rapidly developed. The annual gross output produced by the rural society totalled 91.923 billion yuan, an increase of 17.4 percent. Of this figure, the output produced by industry, construction industry, transportation industry, commercial and catering industries run by the rural areas increased by 23.4 percent. Its proportion in the overall figure increased from 50.5 percent in the previous year to 52.1 percent. Furthermore, township and town enterprises experienced new development. The gross revenue of these enterprises increased by 35.4 percent.

However, there was insufficient investment in agricultural production. Part of the water conservancy facilities became outdated and the production of major agricultural products neither conformed to the needs of economic development nor met the needs for people's livelihood.

II. Industry

The development in industrial production was sharp. The province's gross industrial output value was 131.488 billion yuan, an increase of 34.6 percent. When the gross output value produced by industries run by and units at and below village level is deducted, the gross output value was 111.813 billion yuan, an increase of 35 percent. In the gross industrial output value, industries owned by the whole people showed an increase of 24.1 percent, those owned by collectives an increase of 40.4 percent, and the growth rate of other types of industries was 70.2 percent.

Among the light industry products the production of consumer goods for daily use and famous, quality, and durable consumer goods which met the needs of people's livelihood increased sharply, as did the effective supply. Light industry output value totalled 87.027 billion yuan, an increase of 36.4 percent, whereas that of heavy industry totalled 44.614 billion yuan, an increase of 30.7

percent. However, contradictions concerning the structure of industrial production were intensified because the development of raw materials and energy industries was slow and contradictions between supply and demand were magnified.

Among the 72 major industrial products listed by the province for planned assessment, 52 had their planned quota fulfilled or over-fulfilled, including raw coal, crude oil, steel, electricity, agricultural products, chemicals, television sets, refrigerators for domestic use, bicycles, and medicine. But the province failed to fulfill the planned annual quota of the other 20, such as timber, chemical fertilizer, charcoal, and sugar.

The output of major industrial products is as follows:

	1988 (1,000 pieces)	Growth Rate Over Previous Year (Percent)
Bicycles	3,398.5 pieces	20.7
Sewing machines	1,521.4 pieces	-5.5
Television sets	2,786.1 pieces	45.1
—Color TV sets	2,034.4 pieces	59.1
Domestic washing machines	1,594.3 pieces	13.9
Domestic refrigerators	1,362.7 pieces	71.1
Chemical fiber	73.3 tons	45.7
Yarn	109.6 tons	3.6
Cloth	348,630.0 m	10.3
Crude salt	447.8 tons	-8.0
Cigarettes	1,232.1 boxes	18.1
Beer	426.9 tons	19.2
Machine-made paper and paperboard	811.4 tons	16.2
Light bulbs	102,770 pieces	13.5
Synthetic detergent	84 tons	16.5
Chemicals and raw medicine	20.1 tons	44.6
Sugar (Including unrefined sugar)	1,231.4 tons	-21.3
Raw coal	9,279.8 tons	6.4
Refined crude oil	8,178.3 tons	-0.4
Electricity	26,797,000 kwh	20.8
—Hydro	6,896,000 kwh	6.1
—Thermal	19,801,000 kwh	27.0
Pig iron	719.6 tons	-1.1
Rolled steel	1,102.6 tons	4.6
Iron ore (original volume of ore)	4,614.3 tons	-8.8
Sulfuric acid (converted to 100 percent)	921.2 tons	10.1
Soda ash	106.5 tons	13.8
Chemical fertilizer (converted to 100 percent)	672.9 tons	-5.8
Agricultural chemicals (converted to 100 percent)	8.9 tons	30.9
Cement	17,459.5 tons	18.3
Internal-combustion engines	1,140 kw	40.3
Power generating equipment	129.5 kw	14.4

Small tractors (less than 20 horsepower)	69.2 pieces	49.1
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The production of industrial products for export experienced rapid development. The export value of industrial products increased by 42.6 percent. More than 70 industrial products generated over \$10 million in foreign exchange during the year. Besides that, eight products generated over \$100 million, including garments, electronic products, electric home appliances, cotton clothing, drawn yarn, cotton fabrics, and bags for packaging and toys.

The economic results in industrial enterprises were enhanced and their product quality was remarkably improved. In 1988, the state awarded 11 products with gold and silver quality prizes and 844 products were awarded province top quality prizes, an increase of 68.7 percent. The rate of quality stability of products subject to key-point assessment reached 85.2 percent. The amount of profits and taxes realized by budgetary state-owned industrial enterprises totaled 4.86 billion yuan, an increase of 21.9 percent; the ratio of capital to profits and taxes was increased by 0.3 percent; and the circulation period of fixed amount of working capital was shortened by 10 days. The labor productivity of the whole staff in industrial units owned by the whole people was 25,363 yuan, an increase of 19.8 percent. However, the costs of industrial products increased because of raw material price increases and imperfect management in some enterprises. The costs of fixed-price products made by budgetary state-owned industrial enterprises increased by 19.7 percent and the amount of losses sustained by loss-incurring enterprises increased by 15.2 percent.

Reform of the industrial enterprise structure and development of lateral economic links were further intensified. Over 90 percent of state-owned industrial enterprises adopted a variety of contracted responsibility system forms. In over 1,379 counties throughout the province, industrial enterprises were members of lateral economic combines. They formed economic entities engaging in various trades and 21 enterprise economic groups were formed to produce electric home appliances, beverages, beer, electronics items, bicycles, sewing machines, and so forth.

III. Fixed Assets Investment and the Construction Industry

Investment in fixed assets by the whole society totaled 29.708 billion yuan, an increase of 26.6 percent. There was still an increase in real terms after deducting the inflation factor. Investment by units owned by the whole people totaled 20.424 billion yuan, an increase of 25.6 percent; those by units owned by collectives totaled 4.684 billion yuan, an increase of 37.9 percent; and those made by individuals totaled 4.599 billion yuan, an increase of 20.8 percent. The overall scale of investment in fixed assets was

still very big. In the 4th quarter the province made considerable achievements in straightening out investment in fixed assets. The province terminated and suspended the construction of 1,341 investment projects involving a total investment sum of 10.05 billion yuan. These included 203 construction projects for buildings, halls, and institutions involving 2.75 billion yuan.

The proportion of productive construction investment continued to grow. The amount of investment in productive construction projects in the investment in fixed assets by units owned by the whole people was 15.406 billion yuan, an increase of 33 percent. The proportion was an increase from 71.2 to 75.4 percent. The amount of investment in nonproductive construction projects was 5.018 billion yuan, an increase of 7.1 percent, and this proportion decreased from 28.8 to 24.6 percent. There were changes in the structure of investment and the growth rate for investment in the light and textile industries was too rapid. The capital construction investment total by units owned by the whole people was 12.745 billion yuan, including investments of: 2.904 billion yuan in the raw materials and energy industries, an increase of 18.2 percent, the proportion remaining unchanged; 2.155 billion yuan in transport and post and telecommunications departments, an increase of 28.6 percent, the proportion increasing from 15.6 to 16.9 percent; 1.567 billion yuan in the light and textile industries, an increase of 73.9 percent, the proportion increasing from 8.4 to 12.3 percent; 570 million yuan in agriculture, forestry, fishery, and gas systems, an increase of 11.78 percent; 1.178 billion yuan in urban construction departments, an increase of 17.9 percent; and a slight increase in investment in science and technology and in culture, education, and public health.

Progress was made in large, medium, and key capital construction projects. The province invested 4.614 billion yuan, an increase of 12.4 percent, in 59 such projects, including: The Hengyang-Guangzhou dual-tracking and electrification project, marked with a rational schedule and organization; the Jiujiang and Luoxi bridges; the project of substituting petroleum with coal; and Zhangjiang port.

The development of investment in the technological transformation of enterprises was quickened. Units owned by the whole people invested 7.28 billion yuan in transformation measures, an increase of 41.7 percent. As a proportion of the total investment sum in fixed assets by units owned by the whole people, this was an increase from 31.6 to 35.6 percent. Of the investment in transformation, 2.598 billion yuan, an increase of 49.6 percent, was used to improve the production capacity of products; 1.253 billion yuan, an increase of 99.2 percent, was used to develop new product varieties; and 244 million yuan, an increase of 19.6 percent, was used to improve the product quality. The province invested in 2,401 technological transformation projects and the total investment in fixed assets increased by 4.206 billion yuan.

The newly added major productive forces in, and the effectiveness achieved by, units owned by the whole people and by urban and rural collectives were: 300,000 tons of exploited coal; 1.98 million weight boxes [zhong liang xiang 6850 6852 4630] of sheet glass; 1,207,000 tons of cement; 38,300 tons of machine-made paper and cardboard; 446,200 kw installed capacity; 57,200 tons of machine-refined sugar; a newly (expanded) port with an annual turnover volume of 3,181,000 tons; 162 km of dual-track railway; 97.9 km of electrified railway, 217 km of newly built microwave communication lines; 550,400 tons of tap water supplied daily; 7,554.8 m, or 37, newly built independent highway bridges.

Reform of the construction industry continued to intensify. In all, 89.1 percent of construction units owned by the whole people and those owned by collectives adopted various contracted responsibility system forms. As many as 23,959 projects were undertaken by units adopting the contracted responsibility system and total area of houses under construction was 37,602,000 square meters, accounting for 93.7 percent of the total number of construction units and 87.3 percent of the total area of houses under construction. The output value of construction units owned by the whole people totalled 3.681 billion yuan.

New development was made in geological exploration. The depth explored by the geological sector reached 133,700 m, including 124,900 m explored using drilling machines. Seventeen new major gold, silver, lead, and other mines were discovered and 32 reports were made on large and medium mining areas.

IV. Transportation and Posts and Telecommunications

Transport capacity was further developed in the course of speeding up basic construction and tapping the potential of transportation, and the growth rate of various kinds of transport was rather quick.

The volume of goods and passengers transported by various means is as follows:

	1988	Growth Rate Over Previous Year (Percent)
Turnover of Goods (1,000 tons/km)	190,357,000	10.1
—By rail	15,155,000	8.1
—By road	656,000	10.3
—By water	178,853,000	10.3
—By air	67,000	24.1
Turnover of Passengers (1,000 persons/km)	29,953,000	17.2
—By rail	8,253,000	24.5
—By road	15,049,000	14.6
—By water	2,031,000	9.4
—By air	3,620,000	18.1

Major Coastal
Ports

Turnover of goods (1,000 tons)	65,532	10.2
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A number of transport facilities were put into operation, mainly the inauguration of the Hengyang-Guangzhou dual-track railway and the four bridges exceeding 1,000 m in length. Harbor crossings without using vehicular ferries was basically accomplished following the inauguration of 10 national highways (except for Shantou and Zhangjiang ports). Nine berths were built in local ports. The Foshan highway will soon be completed. The pace of projects to rebuild national highways Nos 105 and 107 in northern Guangdong and the construction of highways in mountainous areas was quickened. Projects to rebuild and expand major trunk lines were also started on a full scale. The newly added transport capacity still failed to meet the needs of national economic development and the tense transportation situation has yet to be relieved.

Conditions for posts and telecommunications were constantly improved and business volume continued to grow sharply. The turnover in the posts and telecommunications industry totaled 511 million yuan, an increase of 46.5 percent. The net increase in capacity of telephone switching machines was 258,000 gates, including 191,000 gates for urban telephone sets and 67,000 gates for rural ones.

V. Domestic Commerce and Supply, and Sales of Goods and Materials

Throughout the year, the total supply of retail commodities to society was worth 69.187 billion yuan, an increase of 45.6 percent and an actual growth rate of 11.8 percent after deduction of price fluctuations. The retail commodity sales volume in society was 63.394 billion yuan, an increase of 40.8 percent and an actual growth rate of 8.1 percent after deduction of price fluctuations. Of the retail sales volume, agricultural means of production totaled 6,588 billion yuan, consumer goods 56.806 billion yuan, and consumer goods to social groups 4.671 billion yuan, showing increases of 12, 7.8, and 6.8 percent respectively.

The retail commodity sales volume of various types saw growth in all aspects. The retail sales growth rate achieved by units owned by the whole people was 44.8 percent, by collectives 29.7 percent, by joint ventures 33.1 percent, by individuals 49.4 percent, and that by peasants to nonpeasant residents was 37.2 percent.

Retail sales of food, clothing, and articles for daily use continued to grow. The retail food sales volume increased by 39 percent, clothing by 32 percent, and articles for daily use by 47.1 percent, showing increases of 3.4, 14.1, and 26.3 percent respectively. The retail sales volume of some consumer goods increased sharply.

The growth rate for soap was 23.7 percent, bicycles 20.5 percent, television sets 69.5 percent, domestic washing machines 43.5 percent, and that of domestic refrigerators was 120 percent.

The retail price of commodities soared to an excessively high level. The general price level of commodities in society increased by 30.2 percent. In terms of regions, the increase in urban areas was 30.5 while that in rural areas was 30.1 percent. In terms of commodities, the price increases were as follows: Food products, 34.3 percent, including 39.6 percent for meat, poultry, and eggs, 21.6 percent for fresh vegetables, and 41.6 percent for aquatic products; in clothing, 15.4 percent; articles for daily use, 16.5 percent; cultural and recreational articles, 16.9 percent; books and magazines, 17.3 percent; medicine and medical products, 34.1 percent; construction materials, 42.2 percent; fuel, 43.3 percent; and agricultural means of production, 31 percent, including 29.1 percent for chemical fertilizer and 79.3 percent for agricultural chemicals. The general price level of workers' cost of living increased by 29.5 percent.

Demand for the means of production was obviously too high. The total consumption amount of means of production increased by 39 percent, showing an actual growth of 12.6 percent after deduction of the price factor. Types of major goods and materials in which consumption showed a sharp increase are as follows: Coal, 21.2 percent; pig iron, 30.7 percent; rolled steel, 11.7 percent; cement, 19.7 percent; soda ash, 12.6 percent; and rubber, 12.6 percent. The total amount of means of production purchased by the province's supply and marketing enterprises increased by 60.9 percent. The gross sales value increased by 58.3 percent, showing an actual growth of 28.2 percent after deducting the price factor.

Because of inflation and excessively high price levels, panic buying broke out in some areas on several occasions during the year. But the phenomena of arbitrarily hiking prices was checked following the adoption of various measures.

VI. Foreign Economic Relations and Tourism

There was a sharp growth in foreign trade. The gross export value of foreign trade was \$12.37 billion, an increase of 36.4 percent. This included a gross import value of \$5.003 billion, an increase of 37.9 percent, and an export value of \$7.371 billion, an increase of 35.4 percent. The amount of export trade in the gross export value of foreign trade totaled \$5.828 billion, an increase of 28.6 percent, and the export value of enterprises undertaking three kinds of processing with imported materials, and enterprises using foreign investment, totaled \$1.543 billion, an increase of 68.8 percent.

New development was made in the building of export production. In 1988, 92 out of the 197 projects undertaken by the province's newly constructed export production structure were put into operation. At the end of

the year the cumulative total number of export production projects run and jointly run by the province's foreign trade system was 1,445, of which 927 had been put into operation, achieving an annual export value of \$1.58 billion.

The scale of utilization of foreign investment continued to expand. The province signed a total of 7,662 foreign investment contracts under which foreign investors were required to invest \$3.827 billion. The actual amount of foreign investment being utilized was \$2.44 billion, an increase of 100 percent. This included \$920 million direct investment by foreign investors, an increase of 54.7 percent. Investments made by European, American, Japanese, and Taiwanese investors increased. The percentage of productive projects among the newly signed foreign investment contracts was 98.1 percent. The focal point of investment was to develop such basic facilities as energy resources, transport, telecommunications, and raw materials. Enterprises undertaking three kinds of processing with imported materials gradually expanded from the coastal regions toward the interior of China.

Labor cooperation with foreign parties was quite active. The province signed a total of 341 new contracts for labor cooperation, an increase of 50.2 percent. The contracts were worth \$46.69 million, an increase of 32.2 percent. A total turnover of \$28.98 million was realized.

Tourism was further developed and both management skills and service quality were further improved. The number of international tourists entering China through the province was 28.88 million. Basic tourist facilities were constantly improved. By the end of 1988, there were 60,000 rooms in 490 guesthouses and hotels which received 5.29 million foreign guests, an increase of 12.7 percent. The amount of foreign exchange derived from tourism totaled \$599 million (converted from foreign exchange certificates), an increase of 11.3 percent.

VII. Special Economic Zones and Coastal Open Areas

New development was made in the construction of an outward-looking economy in the Shenzhen Special Economic Zone. The zone actually utilized \$414 million in foreign investment throughout the year, an increase of 5.2 percent, which included an increase of 8.2 times in the amount of investment in wholly foreign-owned enterprises. A number of production bases were built or began taking shape, providing a steady supply of products for export. Hundreds of products entered the international market and were sold in 55 countries and regions throughout the world. The zone's gross export value totaled \$1.72 billion, an increase of 28.9 percent.

After the Zhuhai Special Economic expanded its area to 121 square km, its development pace was accelerated and it actually utilized \$202 million in foreign investment throughout the year, an increase of 2.1 times. Its export value totaled \$408 million, an increase of 57.2 percent, and 112 new industrial enterprises were put into operation.

Shantou Special Economic Zone strengthened its foreign exchange generation capability by actively invigorating enterprises aimed at developing the outward-looking economy. It actually utilized \$34.4 million throughout the year, an increase of 51.5 percent. Its gross export value was \$287 million, an increase of 69.5 percent. There were 22 new enterprises using foreign investment being put into operation, an increase of 1.2 times.

After four years of construction, the Guangzhou Economic and Technology Zone basically completed the building of all corresponding projects concerning its basic facilities. The zone signed 505 foreign investment contracts and actually utilized \$17.79 million of foreign investment, an increase of 82.5 percent. There are 81 industrial enterprises being put into operation. The proportion of products sold overseas increased and the situation of generating foreign exchange through export was good. Over 10 products, such as toys, plastic and aluminum jalousie, artificial heart valves, polyurethane shoes, and decorative clothing, entered the international market. Its export value totaled \$107 million, an increase of 57.6 percent.

The foreign investment utilization situation was good in the Zhangjiang Economic and Technology Zone. During the year, 28 foreign investment contracts were signed, and \$910 million of foreign investment actually utilized, increases of 1.8 and 20.7 times respectively. Twenty-two industrial enterprises were being put into operation and there were 25 kinds of products, including machinery, textiles, electronics, and building materials.

Economic and technological cooperation between the Zhujiang Delta and foreigners became more active and the progress made was another step toward the development of an outward-looking economy. During the year, the delta signed 5,455 foreign investment contracts and actually utilized \$480 million. Its gross export value was \$1.91 billion, accounting for 25.9 percent of the province's volume.

VIII. Science, Education, and Culture

The development of science and technology was steady and conditions for developing educational undertakings were improved. There were 45 institutions for higher education, an increase of 1. The number of newly recruited post-graduate students was 1,422, post-graduate students at school 4,469, and that of graduates was 1,480. These institutions of higher education recruited 36,900 students for ordinary and special colleges, an increase of 28.8 percent. The number of students at school was 97,200 and the number of graduates was 25,300, increases of 12.7 and 23 percent.

The number of students studying at professional and technical schools in senior secondary education was 333,400 (including 34,000 students studying at secondary technical schools). The proportion of students receiving senior secondary education increased from 42.6 to 48.7 percent.

There were 2,102,300 students receiving junior secondary education, 6,887,200 in primary education, and 1,328,000 kindergarten students. Development of education for the blind, deaf-mute, handicapped, and mentally retarded children was further strengthened. However, the phenomenon of dropping out of school became more prominent in some localities.

The quality of various types of adult education was improved. The number of adults receiving higher education in schools was 102,700, adults receiving secondary education at professional schools numbered 106,400, those receiving secondary education in schools totaled 65,800, and those receiving junior secondary education in schools numbered 644,400.

Science and technology undertakings were rapidly developed so that the role of science and technology was given further play. The province was awarded 160 scientific and technological advancement prizes, 33 natural science prizes were awarded by the provincial authorities, and 50 people made contributions to the province's science and technology. The "technology of the large zinc fractionating column," which was the winner of the province's first prize for scientific and technological advancement, made remarkable achievements in boosting output and economizing consumption and the "study on improving the structure and technology of the electron microscope and its application to biological membranes", which won the province's natural science first prize, played an active role and promoted the development of science concerning membranes.

Various scientific and technological development plans were expeditiously carried out. In 1988, 94 new projects at provincial level, involving a gross investment of 157 million yuan, were added to the province's "torch plan." Seventy-five percent of the province's 235 assigned "torch plan" projects achieved good economic results. Arrangements and implementation work concerning a number of "torch plan" projects and new products derived therefrom were carried out.

New progress was made in patent work and the technology market was brisker. The province accepted 1,203 patent applications and 379 received approval. The province signed 3,644 technology contracts involving a turnover of 197 million yuan, increases of 70 percent and 1.1 times.

Basic scientific and technological work was strengthened. Meteorology, oceanography, seismology, and other departments provided different services for economic construction and social life. The meteorological department gave relatively prompt and accurate weather forecasts against calamities and achieved better economic results in the fight against the especially large-scale floods in the Xijiang and in monitoring fires using weather satellites. The mapping department drew 2,555 maps of different scales covering a total area of 17,000 square km. It printed 2,692,000 copies of 20 types of

maps for public sale. At the end of the year there were 106 provincial metrological standards, and 307 provincial quality standards, of which 29.6 percent followed international standards.

The scientific and technological team continued to grow and nongovernment scientific and technological institutions grew like mushrooms. The number of scientific and technological staff in units owned by the whole people totaled 515,000 (excluding central units established in Guangdong), an increase of 15.7 percent. This included 303,000 technicians engaged in natural sciences and 212,000 social science technicians. At the end of the year, there were 495 independent scientific research and development institutes above county level and owned by the whole people. As many as 81 percent of the province's counties established associations for the popularization of science. There were more than 200 scientific and technological institutes run by civilians and employing 2,600 staff.

Cultural undertakings became brisker. Twelve feature movies were produced by the film production department and 211 new movies were distributed. At the end of the year there was a total 4,024 movie projection units, 131 performing arts troupes, 110 cultural halls, 100 public libraries, and 101 museums in the province. There was a total of 66 radio and television stations, including 12 medium-wave radio transmission stations and relay stations and 31 television stations. A total of 191.7 million copies of newspapers, 141 million magazines, and 276 million books were printed during the year.

IX. Sports, Public Health, and Environmental Protection

New progress was made in sports undertakings. In 1988, the province's sportsmen won 11 world championships and broke 7 world records on 8 occasions; won 17 championships in the Asian Games; and broke six Asian records on eight occasions. In the national games they won 117 gold medals, 127 silver medals, and 113 bronze medals and broke 16 national records on 18 occasions. The province organized a total of 4,485 sports meetings attended by 1,062,000 participants. National sports standards were achieved by 4,156,000 athletes. Furthermore, the quantity of sports facilities was increased.

The conditions in public health and medical care were improved. There were a total of 109,300 hospital beds available, an increase of 4.2 percent. The number of specialists and technological personnel was 187,300, an increase of 1.7 percent. This included 75,200 doctors, an increase of 9 percent, and 44,400 nursing staff and nurses, an increase of 16.5 percent. The number of cases involving epidemic diseases decreased by 57.9 percent. However, a shortage of medical services and medicine still exists in rural areas.

The province's overall environmental quality was basically steady. During the year the province completed controlling 641 pollution cases caused by old enterprises. A total of 96 percent of newly built large and medium enterprises went through environmental assessment procedures as stipulated in the regulations. As much as 93 percent of the "three simultaneous" work was carried out. The rate of implementing the "three simultaneous" among newly built small enterprises decreased. On the whole, environmental quality in urban areas and the water quality of major rivers met the state's secondary standards, though the sulfuric dioxide content in the atmosphere in urban areas and organic pollutants in major rivers worsened.

X. People's Livelihood

The average living expenses for each person in cities and towns was 1,474 yuan, an increase of 22.1 percent. The figure actually decreased by 5.7 percent after deducting the price factor. The actual income of families in cities and towns was uneven and the difference between the two was widened so that the actual living standards of some residents dropped.

The province's average net income for each peasant was 809 yuan, an increase of 22.1 percent. After deduction of the inflation factor, the actual growth rate was 2.7 percent.

The number of laborers and employees was increased. There were 404,100 people living in cities and towns awaiting jobs in 1988. At the end of the year, the province's total number of staff and workers was 7,476,700, an increase of 273,300 compared to the previous year. The total amount of wages throughout the year was 1,627,600 yuan, an increase of 4,166 million or 34.4 percent. The contracted employment system was developed at a steady pace. During the year 555,600 workers were hired by units owned by the whole people under the contracted employment system, an increase of 109,500.

The amount of savings in urban and rural areas continued to increase. By the end of 1988 the province's savings deposit balance was 40,351 million yuan, an increase of 93,710 million yuan, or 30.2 percent.

The living conditions of both urban and rural residents were further improved. Newly built housing in the province's rural areas totaled 10.58 million square meters, and in urban areas totaled 14.94 million square meters.

Social and welfare undertakings continued to develop. There were 25,700 beds in various social and welfare institutions in the province, providing services to 19,200 people. Orphans, aged, handicapped, and children, totaling 15,400 people, received relief from the state. The number of those receiving support from collectives was 113,800. There were 42,300 households who eradicated poverty.

Insurance undertakings were rapidly developed. The amount of insured properties totaled 211.03 billion yuan, an increase of 40.7 percent. There were 2,470,700 households which had their properties insured, while as many as 13,122,500 people insured their lives one way or another. As many as 117,000 insurance cases involving properties in China were handled and 188 million yuan in compensation was paid, so that the enterprises, households and individuals sustaining damages could promptly restore their production and operations and make proper arrangements.

XI. Population

By the end of 1988 the province's population totaled 59,283,000, an increase of 962,000 or 1.7 percent.

The resurgent growth in birth rate was checked. According to estimates based on a sample survey on changes in the province's population, the provincial birth rate decreased from 2.212 to 2.09 percent and the death rate was 0.507 percent. The natural growth rate decreased from 1.642 to 1.583 percent. As the province still faces the third peak period of the baby boom, the birth control task is very arduous.

Note: 1. The GNP value, national income, gross industrial and agricultural output values, and gross output value of rural society quoted in this communique are calculated on the basis of prices during that current year and growth rates are calculated on a fixed price basis.

2. The GNP is the value of products and labor service provided by material and nonmaterial production departments and eventually consumed by society but excludes intermediate consumed products and labor value.

3. The gross output value of society is the sum of the gross output value produced by agriculture as a whole. It also includes the gross output value produced by industry, construction industry, transport industry, posts and telecommunications, and commerce run by collectives and individuals in rural areas.

4. The "three simultaneous" work concerning environmental protection means that such work on construction, reconstruction, and expansion projects, and environmental protection measures for such projects, must be simultaneously designed, simultaneously carried out, and simultaneously put into operation.

North Region

Hebei Reports Developing Export Trade Volume
OW0804121089 Beijing XINHUA in English
1645 GMT 7 Apr 89

[Text] Shijiazhuang, April 7 (XINHUA)—The volume of export trade in sundry goods from north China's Hebei Province reached 210 million U.S. dollars in the first quarter this year, according to an official from the provincial foreign trade bureau.

The total volume of provincial export trade reached 1.55 billion U.S. dollars last year, 4.4 percent more than that in 1987. Sundry goods earned 1.2 billion U.S. dollars of that amount.

The province has 2,500 businesses which mainly produce goods for export to more than 120 countries and regions.

It has more than 750 kinds of export commodities, including Chinese chestnuts, pears, plate glass, textiles, garments, and other articles of everyday use.

The official said that in order to expand and develop the export trade, the provincial authorities in 1989 plan to speed up the development of new products, strengthen and develop markets in Hong Kong, Macao, and Japan, and open new markets in Federal Germany, North America, the Soviet Union, and Africa.

Shifts Trade Focus To East Europe

OW0904083789 Beijing XINHUA in English
0738 GMT 9 Apr 89

[Text] Beijing, April 9 (XINHUA)—Hebei Province, "a virgin land in the field of business," is switching its trading interests to Eastern Europe after frequent visits to Japan failed to produce expected results.

"It is easier to do business with Eastern European people than with the Japanese," Governor Yue Qifeng said.

He said that the vice-governor of the province will shortly be visiting the Soviet Union and other East European countries seeking closer co-operation and trading opportunities.

He predicted that existing barter and border trade, especially with the Soviet Union, would show a sharp increase in the future.

Hebei would like the Soviet Union to invest in or co-operate with the metallurgical, cement, paper-making and coal mining industries, as they did in the 1950s.

There are also quite a few large-sized projects in the province which were built in the 1950s with Soviet aid, such as the north-China pharmaceutical plant, the biggest plant producing antibiotics in the country.

Yue said these factories had entered a period of large-scale technical innovation after being in operation for more than three decades. So, the governor said they would welcome their Soviet counterparts to help in this work.

In return, the province has an abundance of high quality products to offer in textiles, porcelain wares, foodstuffs, furs and leather.

For example, the province produces 1.5 million marten pelts every year, and has on hand 1.2 million which can be supplied to the Soviet people.

The province is also developing close business ties with Spain.

Inner Mongolia Secretary Visits Newspaper Office
SK0804021289 Hohhot NEIMENGGU RIBAO
in Chinese 15 Mar 89 pp 1, 3

[Text] "The vast number of press workers should better persist in the party organ's principle of party spirit; positively bring into play the duty of the press and public opinions to guide, support, and supervise in order to serve the main objective of improving the economic environment, rectifying the economic order, and deepening reforms; and promote the smooth progress of the region's spiritual and material civilizations." The regional leaders set these demands on the press workers during their visit to the entire staff and workers of NEIMENGGU RIBAO agency.

On the morning of 13 March, at the journalists' meeting hall of NEIMENGGU RIBAO agency, Wang Qun, Bu He, Zhang Dinghua, Liu Yunshan, and Wuyunqimuge, director of the propaganda department of the regional party committee, met with all the journalists, editors, and staff and workers of NEIMENGGU RIBAO agency. Wang Qun, Bu He, and Zhang Dinghua made important speeches in succession. They fully affirmed NEIMENGGU RIBAO's achievements in propagating news items conscientiously according to the lines, principles, and policies of the party Central Committee and the regional party committee; reporting the typical cases emerging from the development of the two civilizations; and bringing into play its political advantages and propaganda functions to realize the region's three fighting goals. They expressed their thanks and regards to the journalists who have been working in the forefront of the press work over the years.

Regional leaders pointed out in their speeches that the party organ is the mouthpiece of the people's governments under the leadership of the party, and unswervingly disseminating the party's line, principles, and policies is the party organ's principle of party spirit. The major tasks of the party organ at present are to firmly grasp the keynote of "being inspired with enthusiasm and enhancing belief"; and to do a good job in conducting media and guidance work closely in line with the main theme of improving the economic environment, rectifying the economic order, and deepening reforms as set forth at the 3d Plenary Session of the 13th CPC Central Committee. That is where the interests of the party and the people lie. The press and propaganda workers must abide by the main theme and the key note under any circumstances at any time. However, the people do not have unified understanding about this issue, particularly the achievements in reforms made over the past 10 years. Although some people cannot but

orally or formally acknowledge the gigantic achievements in reforms, they still have a confused understanding on some questions. The reasons that we have conducted investigations are that some people expressed dissatisfaction and had complaints due to their subjective and one-sided points of view, low ideological levels, loss of individual interests, or the influence of the long-term feudalist thinking. Since the implementation of the open policy, China has opened its windows to the outside world and various trends have been brought in. As a result, a small number of people have been influenced by the unhealthy ideologies. Besides, some decadent phenomena actually exist in the party. What we must particularly point out is that the hostile forces at home and abroad deliberately produced turmoil, and seized upon one point and ignored other aspects to exaggerate and sully our difficulties and mistakes. However, the majority of our comrades have a clear understanding about this. But we must not cater to these inaccurate ways of thinking. Nor can our front be stirred by the hostile forces and the small number of people with ulterior motives. We must justly persist in a key link and two basic points, disseminate the achievements in reforms made over the past 10 years, and propagate the theoretical line, principles, and policies relating to reforms and opening the country to the outside world so as to make the masses of various nationalities correctly understand the situation.

Regional leaders stressed that our Communist Party members believe in Marxism and are dialectical materialists. Through the last decade of reforms, our productive forces have been upgraded by a big margin. The majority of the party members in our party are good and serve the people wholeheartedly. Of course, some decadent phenomena actually exist in our party. However, we are adopting measures to eliminate these phenomena. This is an objective fact. Exaggerating nonessential problems is not a practice of dialectical materialism. To this end, the party organ must better persist in the principle of party spirit, adhere to the principle of seeking truth from facts, and better disseminate the work of improving the economic environment, rectifying the economic order, and deepening reforms. We need supervision by the mass media as well as their support. I hope that press workers will do a better job in conducting supervision and providing support, and unify supervision with support. The standards for judging the success in this regard hinge on whether or not we better implement the ideological line of seeking truth from facts and whether or not we apply the method and viewpoint of dialectical materialism to promote the progress of unity, construction, reforms, and the opening to the outside world.

Creating and maintaining the political environment characterized by stability and unity is an overriding task at present. China is a big country with a population of 1 billion. If we carry out systems of some Western countries, the whole country will certainly be in disorder and it will be impossible for us to become comparatively well-off. One of China's historical lessons during the past

100 years or so was internal turmoil and disunity. We were in the depth of misery during the 10-year turmoil of the Cultural Revolution. We must not forget these painful lessons from anarchism, "great democracy," and internal turmoil. The party organ should better disseminate the autonomous region's principles of unity and construction. It has been more than 40 years since the establishment of our autonomous region. The foundation of stability and unity is solid and the party's policies on nationalities have been well implemented. All this resulted from the concerted efforts made by the people of various generations, and nobody can negate this fact.

While touching on the relationship between direct reports and critical reports, the regional leaders said: Focusing on direct reports and encouragement is a decision made according to the nature of the party organ. The purposes for publishing critical reports are to make progress, seek unity, and promote reforms and economic construction. Therefore, except for the reports on illegal and undisciplined cases, critical reports should generally be based on three issues: 1) It is necessary to pay attention to the questions of general significance. 2) Facts must be accurate. 3) There must be proper limits for critical reports. We should particularly differentiate situations and think over how it would affect society. The party and the people give means of mass media to you and let you exercise supervisory rights. You must ceaselessly upgrade your ability in consciously and correctly understanding the party's line, principles, and policies. Of course, we need courage to make criticisms and conduct supervision. However, in the final analysis, the courage comes from correctly understanding the party's line, principles, and policies.

As we experience difficulties in our current work, we further need the support of the mass media, and it is more necessary to educate the vast number of cadres and masses to foster a correct understanding of reforms. There is a saying: If we do not speak of our achievements, they won't run away; and if we don't find out our faults, we will be in a bad situation. Viewing the current situation, the main problem is not that we place more emphasis on achievements but that we pay less attention to our achievements. We must further fully disseminate the achievements in reforms that attract worldwide attention.

Regional leaders urged press workers to persist in the communist ideology and moral education on a day-to-day basis. If press workers ignore this, the party organ will neglect its duty and socialism cannot be promoted. The party organ is a key component part of our political advantages as well as a powerful weapon for conducting propaganda among the masses and for guiding our work. Journalists and editors of the party organ should first achieve their self-construction, upgrade their quality, and arm themselves with correct ideology and character in order to write good articles. If press workers are directed by money, there will be no truthfulness in news reports and they will not qualify to be journalists of the party.

Li Ruihuan Speaks at Tianjin Construction Meeting
SK0704074889 Tianjin TIANJIN RIBAO
in Chinese 16 Mar 89 p 1

[Excerpts] On 15 March the municipal people's government held a work conference on urban and rural construction to make arrangements for various tasks in this regard this year. Li Ruihuan, secretary of the municipal party committee and mayor of the municipality, delivered a speech at the conference, in which he pointed out: Efforts should be made to unify thinking, to unswervingly implement the central principle of improving the economic environment and rectifying the economic order, and to resolutely curtail the scale of capital construction projects. In conducting urban and rural construction this year, we should put the work of improving work quality, upgrading work improvement, and enhancing management in an important position; consolidate the achievements scored over the past few years; and further develop the excellent situation in the municipality.

Lin Hanxiong, minister of construction, made a special trip from Beijing to attend the conference and delivered a speech in which he first fully acknowledged the achievements scored by the municipality in both urban and rural construction. He then stated: Since the 3d Plenary Session of the 11th CPC Central Committee, I have been visiting the municipality once a year and I have discovered every time a change in the city appearance and the people's mental outlook; both aspects have become increasingly better.

During the conference, Liu Yulin, chairman of the municipal construction commission, delivered a report entitled "Clearly Discern the Situation and Heighten Spirit To Make Contributions To Stabilizing or Developing the Excellent Situation in the Municipality." [passage omitted]

In his speech, Li Ruihuan pointed out: Over the past few years, the capital construction work has played an important and promoting role in the municipal programs of building the economy, improving the people's livelihood, rectifying the city appearance, and consolidating or developing the excellent situation, and has created favorable conditions for conducting reforms and opening to the outside world.

In his speech, Li Ruihuan emphatically pointed out: The 1989 capital construction work must suit the new situation and the characteristics of improving the environment and rectifying the economic order. First, efforts should be made to distinguish the situations in various construction projects and to deal with the projects separately. Items identified for eliminating should be completely cut. Efforts should be made to make rational arrangements for the projects which deserve to be slowed down, to ensure the construction of key projects, to concentrate efforts on

building key projects, and to accelerate the pace of building them. Those projects which have entered the completion stage should be finished as soon as possible. Second, efforts should be made to consolidate and readjust construction enterprises in a planned manner. We should earnestly persuade civilian laborers to quit their jobs willingly, rationally combine the contingent of construction personnel, realistically readjust organs, and expand the business scope and conduct a diversified economy by making full use of various conditions. Third, efforts should be made to put the work of improving work quality, upgrading work improvement, and enhancing management in an important position in urban construction. We should take various construction projects and infrastructures into comprehensive consideration, make unified arrangements for them, and do a good job in conducting the work among them so as to bring their benefits into full play and to enable their benefits to reach the highest standard. Fourth, efforts should be made to vigorously study housing construction and particularly to accelerate the pace of commercializing residential houses. We must succeed in building 500,000 square meters of low-price marketable houses which are covered by the 1989 housing plan. Fifth, efforts should be made to continuously bring the political strong point into play, to bring into play the enthusiasm of the broad masses of staff members and workers on the capital construction front by making use of the driving force of construction enterprises, and to have party and Communist Youth League members take the lead in voluntarily rendering labor service so as to foster a good morale of being glorious in making contributions. It is hoped that comrades on the capital construction front should treasure their good fame won over the past few years and continue to be vanguards in building both material and spiritual civilizations.

Attending the work conference were leading comrades from the municipal level organs, including Nie Bichu, Zhang Lichang, Bai Hualing, Mao Changwu, Li Zhen-dong, Zhang Zhaoruo, Hu Xiaohuai, Fang Fang, and Fang Fengyu, and responsible persons from the departments concerned.

Northwest Region

Gansu Party Meeting Views Spring Farming
HK0904021189 Lanzhou Gansu Provincial Service
in Mandarin 0000 GMT 8 Apr 89

[Excerpts] The provincial party committee held its 17th Standing Committee meeting yesterday to listen to reports on the current situation in spring farming and on education in the situation being conducted in the rural areas. [passage omitted]

The general situation in spring farming is very good this year. According to initial statistics, the localities plan to grow 900,000 more mu of grain than last year, reaching a total of 42.9 million mu. It is expected that the demand of the provincial party committee and government for expanding the grain area by 1 million mu can be fulfilled.

There are also some unfavorable factors and problems in spring farming. According to forecasts made by the plant protection departments, there is likely to be a major outbreak of plant diseases and insect pests in the province this year. If prevention and cure cannot catch up with requirements, the grain crops will suffer losses. The amount of chemical fertilizer allocated for spring farming has met the demand set by the plan, but a large proportion of it is not yet in the peasants' hands. Production of ultra-thin plastic sheeting cannot keep up with requirements, and the quality of much of the sheeting is poor. The increased prices for agricultural production materials have increased the burden on the peasants.

A responsible person of the provincial agricultural commission gave views on the next stage of work in line with the present situation. It is essential to seize the present favorable opportunity to sow adequate spring crops and strictly control the use of grain land for developing orchards. It is necessary to do a good job in supplying agricultural production materials and prevent and fight natural disasters centered on plant diseases and insect pests.

A responsible person of the provincial party committee's Propaganda Department reported on education in the current situation now being conducted in the rural areas. [passage omitted]

Provincial party committee Secretary Li Ziqi presided over the meeting and made a speech. He pointed out that the province's spring farming situation is indeed very good this year, but we must not be blindly optimistic or underestimate the difficulties facing us. At present we must continue to take advantage of the favorable conditions of good soil moisture to crash-sow and sow more. Education in the situation should be combined with current agricultural production and grass roots building. The leaders at all levels must attach importance to agriculture and make still greater contributions to developing Gansu's agriculture.

Gansu To Build Grain Production Bases
OW0804190189 Beijing XINHUA in English
1546 GMT 7 Apr 89

[Text] Lanzhou, April 7 (XINHUA)—Northwest China's Gansu Province will build three grain production bases to alleviate its lingering grain shortage.

According to an official of the provincial government, Gansu has been suffering a severe grain shortage as a result of poor farming conditions, constant droughts, and floods.

Two of the production bases will be built in the drought-stricken middle and eastern parts of the province for the convenience of grain supply to local farmers.

The construction of agricultural projects, including the development of new irrigation networks, is under way on a large scale.

Shaanxi's Zhang Boxing Discusses Theoretical Work
HK1004080989 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 9 Apr 89

[Excerpts] The 3-day provincial theoretical work conference concluded 8 April. It made clear the present situation in and tasks for theoretical work and proposed measures and ways to improve it. [passage omitted]

Provincial party committee Secretary Zhang Boxing delivered a closing speech at the meeting, calling on party committees at various levels to pay great attention to theoretical work. By applying the fundamental tenets of Marxism and proceeding from the actual conditions in the reform, opening up, and modernization drive, he added, personnel engaged in theoretical work must study in depth the new situation and new problems arising in real life and respond to them with answers of significant guidance. Zhang Boxing continued: Some comrades ignore theoretical work mainly because they fail to approach social sciences in terms of science. As a matter of fact, natural science and social science are two wheels which progressively push the society of mankind forward and they must run neck and neck. In formulating basic policies and making major decisions, social science theories act as a foundation. The principle set out by the provincial party committee and government of rejuvenating Shaanxi through science and technology no doubt also includes social sciences.

Zhang Boxing continued: The practice of reform and opening up at the present stage strongly appeals for theoretical support and guidance. While carrying out reform, opening up to the outside world, and developing the socialist market economy, how should we build the party strictly to establish a system for continuous party hygiene? How should we improve social order in an all-around way and strengthen building spiritual civilization in the whole society? And how should we readjust the production structure of our province and deepen the economic structural reform and further the province's economic construction and development in the course of improving the economic environment and rectifying the economic order? All these questions require us to strengthen and improve theoretical research, publicity, and education.

Zhang Boxing stressed: While engaging in applied theory research, we must truly strengthen basic theory research. Basic theory, he added, is the cornerstone of social sciences, providing applied theory with the stand, viewpoint, and method for studying and solving problems. We must guard against the tendency of being eager for quick success and instant benefit by only paying attention to applied theory research and ignoring basic theory research.

Shaanxi Secretary Stresses Elementary Education
HK1004043889 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 8 Apr 89

[Text] During a recent inspection tour of Shangluo prefecture, provincial party committee Secretary Zhang Boxing pointed out: Elementary education is a major strategic problem and party committees and government at different levels must attach importance to it and strengthen it. At the same time, it is hoped that the whole society will show concern for and give support to educational undertakings.

From 28 March to 7 April, Comrade Zhang Boxing made an inspection visit to Shangluo prefecture. Traveling light, he went down to the seven counties and cities of Zhashui, Shenan, Shanyang, Shangzhou, Shangnan, Danfeng and Luonan, where he visited students and teachers of more than 20 primary and middle schools. At the same time, he also held discussions with local workers engaged in education. On how to intensify elementary education, Zhang Boxing emphasized: First, the principle of education being the foundation and rejuvenating Shaanxi through science must be widely publicized among all the people of the province, and it is essential to update concepts and have a correct understanding of and pay attention to the training of talented people; only by so doing will we be able to develop the economy and become prosperous step by step. Second, it is necessary to set to rights the guiding idea of running schools and stress must be placed on training junior qualified personnel and improving the quality of laborers; efforts must be made to energetically develop vocational education while readjusting the structure of education and expanding compulsory education. Third, the reform of education must be carried out in a deep-going way so as to discover a new way of developing education with Chinese salient features and establishing a new system of education. While giving more leadership to education, governments at all levels should help schools solve some prominent difficult problems.

Having learned of the inadequate material resources, the poor quality of teachers, and particularly the serious insufficiency of funds for education in many mountain areas during his inspection tour, Comrade Zhang Boxing pointed out: In the poor mountain areas, all localities must adopt measures to address the problem concerning the lack of teachers and such difficult problems as housing for veteran teachers devoting themselves to the cause of education and housing for children of teachers who have been conscientious in the education undertakings in the mountain areas for many years. With regard to the poor quality of teachers and the lack of teachers, he added, the prefectural and town authorities must map out plans to give those teachers extensive training every year and also make special efforts to train more teachers. Referring to insufficient funds for education in many areas, Zhang Boxing said: This difficulty can be somewhat overcome by running schools through different channels and in various forms. All localities may raise some funds for education from society.

Shaanxi County Appeals for Pesticide Supplies
HK0904061589 Xian Shaanxi Provincial Service
in Mandarin 0500 GMT 9 Apr 89

[Excerpts] According to SHAANXI RIBAO, in March, at the crucial moment of jointing and earing in the wheat crop, red spiders were discovered over a large area of the crop in Liquan County, one of the province's grain base counties. As there is an extreme shortage of the right pesticide, the peasants are full of worries and complaints. The anxious county cadres have sent out reports appealing for assistance.

According to an investigation conducted by the county plant protection center, red spiders have appeared in 100,000 mu of wheat. In seriously infested fields, the green leaves have turned yellow and some plants have withered and died. [passage omitted]

Although the county authorities have exerted the greatest efforts, there is still a grave shortage of the right pesticide, and the requirements cannot be met.

The reporter appeals to the provincial and city departments concerned to take effective steps to organize sources of supply and solve the pesticide shortage as soon as possible.

Shaanxi Develops Agrosience Research Work
OW1004005189 Beijing XINHUA in English
1513 GMT 9 Apr 89

[Text] Xian, April 8 (XINHUA)—The construction of China's first agroscientific estate is under way in Xianyang City, Shaanxi Province.

According to an official from the provincial government, the estate will concentrate on agroscientific research and training.

It will also develop bases for experimentation of new agro-techniques and fine seed cultivation farms.

The estate now has a dozen of agroscientific research institutes with more than 3,500 researchers and 230 laboratories.

The current construction involves the building of a biological engineering center, an information center and infrastructure facilities.

Northwest China Airways Set Up in Xian
OW0804141789 Beijing XINHUA in English
1527 GMT 7 Apr 89

[Text] Beijing, April 7 (XINHUA)—A new airline called Northwest China Airways was set up in Xian today, and the Northwest China Civil Aviation Administration and the Xiguan Airport Authority were established, a spokesman for the Civil Aviation Administration of China (CAAC) announced here.

The spokesman, who also announced the disbanding of the former Xian Regional Civil Aviation Administration, said Northwest China Airways is one of the six major state-owned aviation enterprises China plans to set up.

China has already established Southwest China Airways in Chengdu, East China Airways in Shanghai, and Air China in Beijing. In addition, the Guangzhou-based South China Airways and the Shenyang-based North China Airways will be set up soon.

The creation of the new airline is another important step toward CAAC's efforts to reform administration, separate the functions of government from those of business, and introduce competition into China's civil aviation transport market.

The spokesman said Northwest China Airways and the Xiguan Airport will be economic entities responsible for their own performances.

With a fleet of 10 big aircraft, including Soviet-made Tu-154s, Northwest China Airways operates on 30 domestic air routes to 31 major Chinese cities. The company also runs charter flights between Xian and Hong Kong.

Xinjiang Meeting Stresses Public Order
*HK0904033389 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 8 Apr 89*

[Text] A regional public order control work conference, which concluded yesterday afternoon, proposed that the main task of the public security organs this year is to strengthen public order control and stabilize social order, so as to provide a good social climate for improving the economic environment, rectifying the economic order, and comprehensively deepening the reforms.

The meeting stressed that in the future all localities must intensify public order control in accordance with the law and stabilize the overall picture of social order. At the same time it is necessary to strictly enforce control over firearms, ammunition, and explosives, to ensure social stability.

The meeting also put forward specific demands on reforming the work of prefectural, city, and town police stations, and stepping up mass security and anticrime work.

Development of New Oilfields in Xinjiang Planned
*OW0704233789 Beijing XINHUA in English
0936 GMT 7 Apr 89*

[Text] Beijing, April 7 (XINHUA)—A decision has been made to open up within two years new oilfields in the Tarim Basin, in northwest China's Xinjiang Uygur Autonomous Region, the "FINANCIAL TIMES" reported today.

The China Oil and Gas Exploration and Development Corporation and the Ministry of Geology and Mineral Resources have made a joint decision to transfer necessary workforce and materials from all parts of the country to accelerate the prospecting and opening up of oil and natural gas fields there.

A total of 1,500 million yuan (about 400 million U.S. dollars) will be invested in the next two years in this project, and it is expected to have the oil and gas fields in operation in 1992.

The first high-yield well was drilled in the Tarim Basin in September 1984. Further prospecting in the following four years indicated that there are several big oil and natural gas fields in the area.

Patrol Boat Kills, Injures Mainland Fishermen
OW0904164589 Taipei Domestic Service in Mandarin
2300 GMT 8 Apr 89

[Text] According to the Taiwan Garrison Command, a Chinese [Republic of China] patrol boat and a coastal patrol boat shot and wounded two Chinese communist fishermen the day before yesterday [7 April], and the one who was seriously wounded died yesterday.

The incident took place when the two boats tried to seize a Chinese communist fishing boat off the coast of Gongliao in Taipei County. When the fishing boat refused to surrender, the patrol boat opened fire to stop it, and when the fishing boat still resisted seizure, the patrol boat fired at the fishing boat, wounding the two fishermen.

In connection with the problem of mainland stowaways, Luo Chang, director of the Taiwan Police Administration, indicated at the Legislative Yuan yesterday that in order to effectively guard against illegal entry into Taiwan of an increasing number of mainland fishermen, the Ministry of National Defense is studying the formation of a coast guard contingent.

He pointed out that the Taiwan Garrison Command is in charge of coastal defense. He added, however, that coastal defense should not be handled by police units because of their already heavy assignments.

Further on Incident

HK0904061089 Hong Kong AFP in English 0559 GMT
9 Apr 89

[Text] Taipei, April 9 (AFP)—Taiwan's Navy has opened fire on a Chinese fishing boat which was approaching the island's coast, killing one fisherman and injuring another, the Garrison Command said Sunday.

A naval patrol boat and a coast patrol boat spotted the Chinese vessel, the "Min Ping Yu 5110," three nautical miles (4.5 miles) off Taiwan's northeastern coast Saturday and tried to arrest those aboard, the command said.

The navy ship fired four shots at the fishing boat when it refused to surrender, wounding two fishermen, Taiwan's highest security authorities said.

Chen Tsu-sheng died in a military hospital Saturday morning while Chen Chiang was being treated for minor wounds, it added.

Ten other people who were also aboard the ship have been taken to a temporary shelter for Chinese fishermen.

Premier Says 'Three No's' Policy Still in Force
OW0804092189 Taipei CNA in English 1603 GMT
7 Apr 89

[Text] Taipei, April 7 (CNA)—The Republic of China [ROC] Government's announcement Thursday that the ROC would participate in the 1989 annual meeting of the Asian Development Bank [ADB] to be held in Peiping May 4-6 does not run counter to the nation's fundamental "Three No's" policy, Premier Yu Kuo-hua said Friday.

"The meeting we have decided to attend on the China mainland is sponsored by an international organization," Premier Yu said in response to an interpellation by opposition legislator Yu Chen-hsien.

During their stay on the mainland, the ROC delegates will not contact the Chinese communist regime to discuss issues other than the ADB meeting, Yu said.

The "Three No's" policy calls for no contacts, no negotiations, and no compromises, in dealing with the Chinese communists' peace talk attempts, which the ROC believes are only united front ploys.

The decision to attend the ADB meeting, Yu said, did not indicate that the government has revised its mainland policy, according to which public functionaries are not permitted to visit the mainland for family reunions and local reporters are not allowed to officially cover news there.

But Yu added that the cabinet-level ad hoc Mainland Affairs Task Force is considering lifting the two bans.

In reply to KMT [Kuomintang] legislator Hung Wentung, the premier stated clearly that from now on the ROC will follow the ADB model and attend every meeting on the mainland that is sponsored by an international organization, either civil or official.

As to Chinese communist-sponsored sports and cultural activities, the ROC, in principle, will not participate, Yu noted.

Speaking of the prospects of its current mainland policy, Yu said that the government has opened its door to the mainland in recent years, and that whether or not the door is opened wider will depend on the results of the current policy.

No doubt, national security and social order will be the critical considerations when the government reevaluates its current mainland policy, Yu added.

As of now, the ROC's friendliness has not been well received by the Peiping regime. Over the past year, for instance, fleets of mainland fishing boats have intruded

into waters near Taiwan and the Peiping regime has intensified its attempts to isolate the ROC in the international community, Yu pointed out.

KMT Chief on Not Recovering Mainland by Force
OW0704144389 Taipei International Service
in English 0200 GMT 6 Apr 89

[Text] Ruling Kuomintang [KMT] Secretary General Li Huan said on Tuesday that the KMT government will never try to recover the Chinese mainland by means of military force, and rather, that only political offensive would be employed against the communist regime on the mainland.

Li added that this means the KMT does not seek to replace the communist regime but will only try to bring about political democratization, economic liberalization, and social justice, along with the freedom of speech there.

Li noted that these are the goals that the KMT has always strived for. The KMT high-ranking official said that the ruling party will spare no effort in trying to assist people on the mainland to improve their living conditions, because they are compatriots of people here. Li said the government's mainland policy is designed to take the initiative in influencing people on the mainland to oppose the communist regime during increased private contacts between the two sides of Taiwan Strait.

Mainland Talk of Democracy at NPC Said 'Trick'
OW0804120489 Taipei Domestic Service in Mandarin
2300 GMT 27 Mar 89

[Station commentary: "The Chinese Communist Trick Does Not Work Anymore"]

[Text] The Chinese communists on the mainland are currently holding the so-called Second Session of the Seventh National People's Congress [NPC]. The practice of democracy is a question that is attracting much attention at the meeting. It is particularly noteworthy that the so-called democratic parties and groups, which are the Chinese communists' tools for putting up a united front, have been especially active in recent years. It seems the appendage characters, parties and groups are again actively expanding their influence. This also gives the people a false impression of the Chinese communists' conception of a future democratic system.

Democracy has been a convenient slogan for the Chinese communists. The so-called people's democracy was much trumpeted early on, shortly after Mao Tse-tung came to power. Since then, the Communist Party has been running a united front in Shanghai and other places involving the so-called Democratic League, which has rendered much service to the communists by luring intellectuals on the mainland into the communist trap. The Democratic League is still flaunting its signboard on the mainland, and has become even more active. In

appearance the organization calls itself one of the democratic parties and groups, but in essence it is a tool, completely under the Communist Party's control. It has assisted the Communist Party in opposing democracy and freedom.

Today they still attempt to employ this outdated trick to deceive the Chinese people on both sides of the strait. This shows how incorrectly they estimate their abilities. As we in democratic society view it, these democratic parties and groups are ridiculous and pitiful indeed.

In the early years after the Chinese communists took over the mainland, political consultation was used in coordination with people's congress activities to poison intellectuals. At that time, the democratic parties and groups, of which the most influential was the Democratic League, constituted the base for speculative politicians. However, some of the most responsible persons in the Democratic League met with an extremely tragic end. Back in those years, the Chinese communists considered these important people democratic signboards and appointed them to be ministers. They were considered political characters.

However, they did not expect that Mao Tse-tung's encouraging of intellectuals to open up, air their views freely, and offer suggestions to the communists was a plot. So, in their capacities as democratic leaders, people like Luo Lung-chi and others stepped forward to offer their suggestions to the Communist Party, speak out, and make well-intentioned criticisms. They did not expect this to immediately trigger the antirightist campaign. All those who spoke out and criticized the Communist Party were labeled rightists. Even though he was a minister of the Chinese communist regime, Luo Lung-chi became the target of criticism and struggle without exception. He and others were required to openly admit their mistakes. This Chinese communist trick was generally known as an open conspiracy. Intellectuals who had made suggestions to the Communist Party and spoken out in public were sure to become targets of denunciation. Each and every intellectual on the mainland remembers this bitter lesson.

The Chinese communists are employing this tactic again today. They have proposed the so-called multiparty cooperation system, and even promised to appoint democratic personages to the post of vice minister. This is a replica of the antirightist struggle of many years ago. But the Chinese communists on the mainland have already exhausted their tricks. If we carefully review the remarks made by Teng Hsiao-ping and Li Peng, we see that Western-style democracy is completely ruled out under the leadership of the Communist Party. These tricks will never work abroad.

Evolving Policy Toward Mainland Winning Praise
OW1004011689 Taipei International Service
in English 0200 GMT 9 Apr 89

[Station commentary: "The Mainland Policy Leaps Forward"]

[Text] This week ended with several bangs in regard to further liberalizations in the Republic of China on Taiwan's policies toward the Communist-occupied mainland of China.

The biggest news items concerned the announcement that Shirley Kuo, the finance minister, would lead an official delegation to attend the annual convention of the Asian Development Bank, being held in Peking in May. Her visit is permitted under a more flexible policy which allows anyone, even government officials, to visit the mainland for purposes of attending international meetings, which are sponsored by international organizations and not by Peking. Kuo will be the first cabinet-level official to visit the mainland in 40 years.

News of her upcoming trip to Peking was complemented by the announcement that a Taiwan gymnastics team will travel to the mainland later in April to compete in the Asian Junior Championships. The team will be the first group of athletes in 40 years from Taiwan to visit the mainland, also for the purposes of attending an international meet.

The sports exchange had been complicated by snags in the name that would be used by the Taiwan teams. In international events, such as the Olympics, the teams from Taiwan go by the name "Chinese Taipei." Originally, Peking had objected to this designation and insisted that Taiwan use the name "China, Taipei." But Taipei objected to that name. The gymnastics team's visit was made possible after talks between sports officials led to Peking's concession on the name issue. It is widely believed, both in Taipei and Peking, that Shirley Kuo's visit, coupled with the first sports exchange, will open ever wider the door to such people-to-people contacts across the Taiwan Strait. A great deal of official and public optimism is now prevalent on both sides.

The week's news also included an item about mainlanders coming to Taiwan. The government announced on Wednesday that three mainland celebrities—a flutist, a theater director, and a scholar—would visit Taiwan later in the spring to give lectures on the current state of their

fields on the mainland. The government also hinted that a ban on visits by Communist Party members would also be lifted soon. Instead of a strict ban on Communists, the government would treat each case on its own merits.

The new liberalizations in policy toward the mainland of China have been greeted with praise by people of all walks of life on Taiwan.

Indeed, a recent public opinion survey, conducted for the majority Nationalist Party by the National Chung Hsing University Department of Mass Communications, clearly shows that the public on Taiwan prefers that the government continue to make steady progress in opening up to the mainland.

Forty-one percent of the 1,300 respondents said that they were very satisfied with the opening to mainland China. Thirty-eight percent said they were satisfied.

Only 6 percent of the respondents were dissatisfied with the pace. Of those, 1 percent said they were very unhappy with the government's mainland policy.

In a second-part question, people were asked specifically about the pace of the opening to the mainland. Fourteen percent said the door to the mainland should be cast wide open, now. Forty percent advised the government to open up a little more quickly, while 24 percent said the government should maintain its current pace of liberalization toward the mainland.

Objections to any opening to the mainland at all were raised by 6 percent of the respondents. Five percent and 8 percent, respectively, said they had no opinion or did not know.

The data in the Chung Hsing poll clearly points to widespread public satisfaction with the government's policy toward Mainland China. Most are optimistic that the people-to-people contacts will lead to an era of peace and prosperity for both sides.

That, as a matter of fact, is indeed the gamble that Taipei makes in the quest to spread the good word about the Taiwan experience to the mainland. The government will constantly assess each step along the way before moving on to wider contacts. Stay tuned for more exciting developments in the Taiwan Straits!

Hong Kong

Hong Kong Deputies Played Active Role at NPC
HK0604074189 Hong Kong HONGKONG STANDARD
in English 6 Apr 89 p 5

[“Analysis” by Fan Cheuk-wan in Beijing]

[Text] Hong Kong deputies to this year's session of China's legislature played a more active part in strengthening the role of legislators and creating a bridge between the Chinese government and the territory.

Several new National People's Congress [NPC] deputies—Miss Liu Yiu-chu, Mr Cheng Yiu-tong and Dr Zee Sze-young, elected by the Guangdong Provincial People's Congress last year—helped change the outlook of the Hong Kong delegation.

The delegation showed the effects of its new blood, with political activists and professionals replacing the traditional businessmen and bankers from the Chinese General Chamber of Commerce, and the Bank of China Group.

The inclusion of political activists like Miss Liu, a Basic Law Drafting Committee member; Dr Zee, a Basic Law Consultative Committee member and a leader of the Group of 89 business lobby, and Mr Cheng, chairman of the 170,000-member Hong Kong Federation of Trade Unions shows China's intention of strengthening deputies' role as law-makers and their link with Hong Kong.

The Hong Kong deputies' united stand against the proposal to delegate legislative power to Shenzhen forced the presidium to amend the controversial proposal.

The deputies also submitted a joint amendment to the presidium urging the State Council to explain the Shenzhen government's failure to form a people's congress in the past 10 years.

This was a departure from their passive approach in the past, when they abstained from voting when they didn't agree on certain decisions.

NPC Standing Committee chairman Mr Wan Li, paying an unscheduled visit to the Hong Kong and Macao delegates, expressed the presidium's appreciation of the opposing views raised by them.

During his 20-minute visit, Mr Wan also admitted that Chinese Customs officials had mishandled the attempt by a six-man delegation to deliver a 24,000-signature petition to authorities last week.

Veteran Hong Kong deputy Mr Ng Hong-man, supervisor of the Pui Kiu Middle School, told the HONGKONG STANDARD he appreciated the presidium's decision to accept opposition views on the Shenzhen proposal.

“What we should do in future is to strengthen our supervision function and influence the government's major decision-making process through the NPC and the NPC Standing Committee,” Mr Ng said.

He said he believed the Hong Kong deputies could strengthen their supervisory functions over the Chinese government through the NPC Standing Committee.

“The amendment of the Shenzhen proposal was a great leap forward in the democratic decision-making process of China,” Mr Ng said.

Miss Liu and Mr Cheng said they would follow up on the issue.

“We may consider lobbying for supporters among other deputies if the NPC Standing Committee tries to push through the proposal without fully considering the opposition views of the deputies,” Miss Liu said.

Hong Kong deputies' contributions also figured in the passing of the rules of procedure for the NPC, first proposed by Hong Kong deputies after last April's NPC sessions.

Mr Ng and Mr Cheng had proposed that the NPC set up rules of procedure to make the congress more efficient.

Hong Kong deputies had reacted with dissatisfaction to the chaos of last year's session.

Nonetheless, the deputies were not fully satisfied with the adoption of their proposal and most abstained from voting in the last plenary meeting on Tuesday.

“I abstained from voting because the rules of procedure included a chapter on election, removal, appointment, relief of duties and resignation of members of state organs, which was irrelevant to the standing order and should be a part of the organization law,” Mr Ng said.

During the 16-day session, state leaders listened to Hong Kong deputies' opinions mainly through group discussions and reading brief reports of the discussions.

The vice-chairman of the NPC Law Committee, Mr Jiang Ping, attended a group discussion of the Hong Kong and Macao delegates and explained to them the proposed draft administrative procedure law and collected deputies' opinions on the law.

Mr Wang Hanbin, chairman of the NPC Law Committee, Mr Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, and Mr Lu Ping and Mr Li Hou, both deputy directors of the office, also spent an entire afternoon at a group discussion to collect the views of Hong Kong and Macao deputies on the Basic Law.

Although the deputies were not elected by Hong Kong people, several were more willing to speak for Hong Kong people than last year when they were first elected to the congress and had less experience.

Miss Liu in particular played a key role, hosting a meeting with Chinese dissident Mr Chen Jun, who initiated the signature campaign on the mainland for the release of political prisoners.

The meeting between Hong Kong deputies and Mr Chen and four other Chinese intellectuals was the first formal dialogue between Chinese activists and NPC deputies aimed at sharing views on the question of China's human rights policy.

Mr Cheng submitted a letter to the Standing Committee on Tuesday in which he referred to the appeals by Hong Kong residents for the release of political prisoners.

In his letter, Mr Cheng asked the Standing Committee to consider the appeals and urged the Chinese government to adopt an open attitude in handling the issue.

By demonstrating a high degree of maturity and activity the young and vocal Hong Kong deputies have created a new awareness in the NPC.

Although still a minority, they are expected to play a more vigorous part in strengthening the body's lawmaking functions and its communication with the people of Hong Kong in future.

As the handover of the territory to China approaches the role that Hong Kong deputies have to play is set for an even greater shift away from being a mere voting machine and rubber stamp for the Chinese government.

International Forum on Indochinese Refugees Opens
OW0704041889 Beijing XINHUA in English
1516 GMT 6 Apr 89

[Text] Hong Kong, April 6 (XINHUA)—An international meeting on the reception of Indochinese refugees and their status determination opened at the convention and exhibition center here today.

The three-day meeting convened by the United Nations High Commissioner for Refugees (UNHCR) will give an introduction and the general overview on the principles relating to the reception of asylum-seekers.

It will also discuss access treatment of asylum-seekers and the criteria and procedures for the determination of the refugees status as well.

Attending the meeting were UNHCR and Hong Kong Government officials and delegates from ASEAN (Association of Southeast Asia Nations) and other countries including Australia, Canada, Japan, Norway, the Netherlands and the United States.

An official from Vietnamese Ministry of Foreign Affairs was also present at the meeting.

At the conference on Indochinese refugees held in Kuala Lumpur, Malaysia, last month, all the ASEAN members agreed to adopt the screening policy under a comprehensive plan of action on the Vietnamese refugee problem.

It is expected that a unified system for screening Vietnamese boat people will be established throughout Asia after the meeting in Hong Kong.

Calls for Faster Screening

OW0904150389 Beijing XINHUA in English 1256 GMT
8 Apr 89

[Text] Hong Kong, April 8 (XINHUA)—The three-day international meeting on status determination of Indochinese refugees concluded here today with a general agreement that refugee screening process should be speeded up.

The meeting, participated by delegates from 16 countries and regions, is part of an on-going process aimed at working out a comprehensive plan of action to be laid on the table of an international conference sponsored by the United Nations High Commissioner for Refugees (UNHCR) in Geneva in June.

Broad consensus was reached on a number of issues related to reception of asylum-seekers and determination of their status, said Dennis McNamara, the deputy director of the refugee law and doctrine division of the UNHCR.

McNamara, also chairman of the meeting, said the participants discussed the framework for fixing fair and efficient procedures and underlined that the basic objective of such procedures was the proper identification of refugees.

For those who are screened out as non-refugees, in principle, they should return home, said McNamara. He added that at this stage the agreement is that those from Vietnam should also return home, except that only on voluntary basis.

He said the delegates agreed in general that the screening process should be as quick and as fair as possible.

In Hong Kong, only 1,223 of the 11,811 Vietnamese boat people have been processed since the government introduced screening last June. Only 106 have been accepted as genuine refugees, local papers reported.

There are estimated 61,000 Vietnamese being held in countries throughout Asia, waiting for either resettlement or repatriation.

Liberal Groups May Scrap Plans To Form Party
HK0704005789 Hong Kong SOUTH CHINA
MORNING POST in English 7 Apr 89 p 7

[By Chris Yeung and John Tang]

[Text] Leaders of Hong Kong's three biggest liberal pressure groups may decide to scrap their plan to launch a political party at a meeting today.

Instead, they will explore the feasibility of forming an alliance to contest the first direct elections to the Legislative Council in 1991.

Core members of the liberal groups have been negotiating for a merger since early last year.

One of the group leaders said: "There should not be any further delay. Instead of continuing to give our liberal colleagues a false hope, we should tell them clearly that a party for us now is impossible and we're looking into other options."

The so-called "Big Three" in the liberal camp are Meeting Point, the Hong Kong Affairs Society and the Association for Democracy and People's Livelihood.

Although all share the desire for greater cooperation, differences remain over how this can be achieved.

While the Hong Kong Affairs Society is said to be the most keen to see a fully-fledged party set up as soon as possible, Meeting Point wants to have more time for its own development before siding with the others.

Meeting Point has also insisted on a common platform if a party is to be formed.

But one member said: "It could take years to examine each specific area of concern. What we need now is to reach an understanding over some basic principles and to start preparing for the 1991 direct elections.

"We asked for early direct elections in the past. Now that we've made it in 1991, it will be a bit absurd if we fail to form a united front. Even the conservatives have managed to band together," he said.

The sense of urgency among some liberal groups has intensified in recent weeks following the announcement of the formation of the conservative lobby's New Hong Kong Alliance.

The liberal leader said: "We don't really have much time available. A decision must be made now so that preparatory work can begin to launch a new alliance by the end of the year."

Hong Kong Affairs Society chairman, Mr Albert Ho Chun-yan, said they still adhered to the party plan and hoped a "decision can be made as soon as possible".

At present, the three groups are full affiliated to the Joint Committee for the Promotion of Democratic Government, the democratic flagship fighting for greater post-1997 democracy.

The coalition, convened by the Association for Democracy and People's Livelihood vice-chairman Mr Lee Wing-tat, comprises more than 100 groups including religious bodies, labour unions, district board member offices and student unions.

Besides fielding candidates in the 1991 polls, Mr Lee also expects greater cooperation among the groups in other areas.

Meeting Point is expected to propose at today's meeting the formation of an election-oriented alliance so that electioneering activities for the 1991 polls can begin irrespective of the progress of the party plan.

Any decision made today will affect vocal unionist Mr Lau Chin-shek's initiative to form a 100,000-strong liberal political party in six months to prepare for the 1991 polls.

Mr Lau, director of the Christian Industrial Committee, said he hoped a meeting scheduled for next week would open new dimensions to ongoing but unfruitful discussions on the matter.

Legislator Mr Martin Lee Chu-ming, who earlier said he wanted to set up a political party, will be invited to the meeting along with union, church and student leaders, and members of the "Big Three".

Mr Lau said that only by setting up a political party could the liberals match the fast-growing conservative camp.

Ten Legislative Council seats will be open for district-based direct elections in 1991.

"An alliance of the three pressure groups simply will not work because they can't represent the entire liberal camp," said Mr Lau.

Even if the alliance was extended to cover all liberal groups, he added, it would be hard to work out a mechanism to truly represent the interests of different groups because of their varying sizes and cross-membership.

The setting up of a liberal alliance should only be considered after the formation of a party was proved not feasible, he said.

New Laws To Be Enacted in Chinese, English
OW0704041689 Beijing XINHUA in English
1511 GMT 6 Apr 89

[Text] Hong Kong, April, 6 (XINHUA)—All new principal ordinances passed in Hong Kong after April 7, 1989 will be enacted in English and Chinese with both texts being equally authentic.

James O'Grady G.C., law draftsman of the Hong Kong Legal Department, told a press conference today that the Hong Kong Government will publish a notice tomorrow to bring into operation Section 3 of the Official Languages (Amendment) Ordinance 1987.

This provides that all new principal ordinances, i.e. ordinances which are not amendments to other ordinances, must be enacted in both official languages.

O'Grady described it as "an historic occasion in the history of Hong Kong", adding that the purpose is to provide a means so that the people of Hong Kong will have the laws of Hong Kong in their own language while, at the same time, there will continue to be an English text.

"Both texts will have equal status," he said.

O'Grady said the only exception was where the governor required a bill to be presented in one language only because it was urgent and presentation in both languages would cause delay.

He said there were two aspects to the bilingual laws project.

One was the enactment of new legislation bilingually which is now set to begin. The other was the translation and promulgation of authentic Chinese texts of existing ordinances that were contained in the 31 volumes of the laws of Hong Kong.

Ban on Large-Scale Import of Labor To Continue
OW0904120189 Beijing XINHUA in English
1551 GMT 7 Apr 89

[Text] Hong Kong, April 7 (XINHUA)—The Hong Kong Government was not presently considering any change in its policy not to allow large-scale importation of unskilled labor, the chief secretary, David Ford, said today.

At the end of a luncheon meeting, he commented to reporters on a report presented yesterday by a joint associations working group suggesting large-scale importation of skilled and unskilled workers.

The report indicates there are currently 200,000 work vacancies in Hong Kong and recommends relaxation on labor import.

The chief secretary said the Hong Kong Government has "great reservations about a massive importation of unskilled labor."

"It (the importation) would in the long term affect adversely the development of our economy. It would also, or could also have an impact upon our workforce and on our social programs," he said.

"We have to therefore be very, very careful before we consider such major move and we are certainly not considering it at this moment."

"The long term option is to build up the skilled and professional ability within the community as a whole," the chief secretary noted.

He said the government aimed at upgrading training programs at all levels and a working group had just started work on detailed arrangements to allow more skilled people to be brought in under existing policy of importing skilled labor in a limited number.

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